

May Day at the end of month?

The Government is thinking of ending the May Day Bank holiday after this year and adding the day to the spring Bank holiday to make a four-day break at the end of May.

Walesa 'expects release soon'

Mr Lech Walesa is still enthusiastic and believes he will be freed "for good" by March 7 to attend the baptism of his baby daughter, Maria Victoria.

Prior to speak on De Lorean

Mr James Prior, the Secretary of State for Northern Ireland, may make a Commons statement on Friday on the future of the De Lorean Motor Company.

Former agent in drugs ring

Howard Marks, a former agent for MI6, pleaded guilty at the Central Criminal Court to his part in an international drug smuggling group.

Friedman turns on Thatcher

Professor Milton Friedman, the Chicago economist and leading proponent of the monetarist policies adopted on both sides of the Atlantic, has rounded on the British Government and said that the performance under Mrs Thatcher has been "terrible".

Thorn's job

The EEC needed drastic economic measures, said Lord Thorn, the President of the European Commission, told the European Parliament.

Holiday reprieve

British Caledonian is to lease two of Laker Airways' 380-seat DC10s for £1m. The move has saved smaller package holiday companies from a scramble for aircraft seats.

Aggett 'beaten'

Dr Neil Aggett, the white trade union leader who died in South African police custody, was stripped, ill-treated and beaten, Mrs Helen Suman claimed in Parliament in Cape Town.

Rules revision

The rules of golf, which are so complicated that even some of the game's most knowledgeable experts are sometimes caught out, are to be rewritten in a form that the average golfer will understand.

TROUBLED ALLIES

In the second of a series of articles by a former world leader, Willy Brandt, West German Chancellor from 1969 to 1974, argues that Nato must not abandon the fundamental goals it set itself in 1949—mutual equilibrium, political detente and balanced disarmament.

World Cup form guide

A detailed guide to the form during the past year of the 24 national football teams who have qualified for the World Cup Finals, which start in Spain in June appears in The Times tomorrow.

Leader page 11 Letters: On land tenancies, from Sir Charles Mott-Radcliffe and Mr A. Harrison; National Insurance surcharge, from Sir Terence Beckett; Betovir cocktail, from Mr J. Gormley. Leading articles: Railways; United States arms for Arabs; Features, pages 8, 10. The Arts: Council protest on much; Henry Fairlie comments on the state of American education; Manchester, the first in a series of articles on Britain's inner cities (page 12); Oppenheimer; Mr. Vint de Valera; Mr. Raymond Strevens; Mr. G. M. Leech; A four-page Social Review, to mark the official visit of the President to Britain.

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BR postpones accepting report: strikes to go on

By David Felton, Labour Reporter

British Rail refused last night to accept for the time being the report of the inquiry into the six-week-old railways dispute despite the report's being approved by the three unions in the industry. There was no early indication that the series of 24-hour Aslef strikes will be called off.

The management is not convinced that the report, which the Associated Society of Locomotive Engineers and Firemen proclaimed a victory for its case, is clear enough on whether the union will be committed to the introduction of productivity measures involving the abandonment of the present eight-hour working day.

The Aslef executive decided to accept the report of Lord McCarthy's committee with the proviso that British Rail would immediately pay the 3 per cent pay rise that the management has been withholding since the beginning of the year. The executive had insisted that the strikes would not be called off—the next is due to take place tomorrow—until British Rail had notified it in writing of its intention to pay the increase to the 20,000 drivers.

Last night, after a three-hour meeting of the railways board, Sir Peter Parker, its chairman, said: "I would like to be a little clearer on the commitment to productivity, and when we get that clarity we will then make up our minds."

We have to pay 3 per cent for nothing, said Aslef. We want to be absolutely sure there is no dubiety at all on the productivity."

In the meantime the 3 per cent would be withheld, although the board believed that the report had several positive aspects. Management officials asked the Advisory Conciliation and Arbitration Service (Acas) to seek the clarification of the board wants.

Mr Pat Lowry, chairman of Acas, said: "I will be inviting the management and the unions to a meeting this morning. The McCarthy report recommended that, subject to Aslef's agreeing to a strict negotiating timetable with a final deadline of March 19, British Rail should pay the 3 per cent and not the dispute back into the industry's negotiating machinery."

Mr Raymond Buckton, Aslef's general secretary, said that the report was "a victory for Aslef and a victory for the train drivers who had stood firm over the weeks".

His view, was not universally shared, however, and as well as British Rail, the other rail unions believe that Aslef's acceptance of the report committed it to introducing the controversial flexible rostering which has been at the heart of the dispute that has so far cost the railways more than £60m.

Aslef refused to give evidence to the committee of inquiry, saying that it could not agree with flexible rostering's being included in the terms of reference. British Rail has suggested to Acas a form of words that it hopes to get Aslef to agree to, committing the union to the introduction of flexible rostering.

Mr Buckton denied last night that Aslef's acceptance of the report committed it to flexible rostering, saying: "We will not be a party to the elimination of the guaranteed eight-hour day. We shall go into negotiations and we shall see what they bring."

It was that remark that persuaded the board against immediate acceptance of the report.

The inquiry recommended that as the 3 per cent was paid the introduction of flexible rostering of seven and nine hours should be put into the industry's negotiating machinery, and laid down that it should be referred to the railway staffs' national tribunal if there was no agreement.

Lord McCarthy is also chairman of the national tribunal which will make final judgement on the introduction of new rosters. Aslef believes the new rosters will lead to the loss of 4,000 footplate jobs.

The National Union of Railmen and the Transport and General Workers' Union have already agreed to flexible rostering and have been paid the 3 per cent.

Mr Tom Jenkins, general secretary of the TSSA, said: "The strikes should be called off and the people concerned should get back to normal working as quickly as possible."

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Visitors framing a self-portrait of Meredith Frampton at a private show yesterday of the artist's retrospective exhibition at the Tate Gallery, London. The exhibition opens to the public today.

Prior wins approval for Ulster assembly

By Philip Webster, Political Reporter

Mr James Prior, Secretary of State for Northern Ireland, yesterday won the approval of his Cabinet colleagues to go ahead at full speed with his plans for devolved government in the province, including the setting up of a 78-member assembly.

After seeing his proposals, the Cabinet's overseas and defence committees, meeting under the chairmanship of Mrs Margaret Thatcher, gave Mr Prior clearance to attempt to complete his talks with political parties in Ulster and to bring forward a draft White Paper and a draft Bill within the next few weeks.

Mr Prior would like to have legislation setting up the assembly, to which powers would gradually be granted under a system which has become known as "rolling devolution", on the statute book before the summer recess. But that, he told colleagues, would depend on him gaining some degree of acceptance for his plans from Northern Ireland politicians.

In a speech to the Conservative Bow Group at the Conservative last night, Mr Prior remarked: "It may be that at the end of the day I conclude that a new initiative just could not work; that the differences between the parties could not be bridged; that it would be pointless to try. But if that happened it would be a great tragedy for the people of Northern Ireland, he added."

The emphasis being placed by Mr Prior on winning acceptance for his plans rather than setting for outright agreement was significant. The reaction from Ulster politicians has so far been predictably unenthusiastic but he is hoping that the Ulster Unionist Party will endorse the four main political parties at least to give the proposals a chance.



Mr James Prior: Narrowing differences.

He told the Bow Group: "I am not setting out to seek full agreement from all the parties. My objective is much more to try to bring the differences between the parties into a manageable form at least manageable."

Under Mr Prior's plans, an assembly would be established, but essentially it would have no real powers until the members decided they wanted them.

Elections to the assembly would be held later this year but it would be granted devolved powers only with the support of a "weighted" majority of its members, so defined as to ensure the backing of the Catholic minority.

Mr Prior told the Cabinet committee that the figure he had in mind was a 70 per cent majority, although this was not regarded as rigid. The plans also envisaged the formation of an executive and that, too, Continued on back page, col 4

'Ludicrous' nil pay increase angers civil servants' union

By Paul Routledge, Labour Editor

The Government yesterday unveiled plans to introduce "market forces" into public service pay. Civil servants were offered wage rises ranging from nil to 5.5 per cent, depending upon whether there were any staff recruitment problems in their grade.

Civil service union leaders immediately denounced the Treasury's £100m salary package as "stupid and ludicrous" and told ministers they would go directly to "industrial action" because there was no point in further negotiations.

About 65,000 government white-collar employees, one in eight, will receive no pay rise at all this year. Young people fare worst as most staff under 21 employed on pay scales related to age stand to get nothing.

The Treasury said it had made the controversial shift in pay policy because the Civil Service had no difficulty in recruiting the staff it needed, in most grades, at present rates of pay. The biggest increases, of 2.5 per cent on April 1 and a further 3 per cent during the year, are being offered to the most senior and experienced staff in each grade.

They are the people the Civil Service finds it most difficult to retain in competition with the private sector, and the Government had for some time warned the union that it intended to reshape the Civil Service salary structure to take account of such market forces.

However, the unions were last night outraged that the

600 American combat troops for Sinai

From Christopher Walker, Jerusalem, Feb 16

The American Government has decided to station troops in the Sinai as part of the international peacekeeping force. The plan will involve the stationing of 600 combat troops from the 82nd Airborne Division in the heart of the Middle East from the middle of March.

Senior American sources told The Times today that the 600 paratroopers will form the core of the United Nations proposed contribution of about 800 men to the 2,500-strong force.

The American troops will be stationed at a new £40m base now being constructed by a consortium of three American contractors at Sharm El Sheikh, the Red Sea port on the southernmost tip of the Sinai peninsula.

At present the 82nd Airborne Division is based at Fort Bragg, North Carolina, where it forms an integral part of the US force designed to combat Soviet expansionism in the region. Troops from the unit played a key role in the "Bright Star" desert exercises staged in Egypt towards the end of last year.

In Western diplomatic circles there was speculation tonight that the Pentagon plan will increase suspicions about the Sinai force in the Soviet Union and among the radical Arab states.

These are already implicitly opposed to it as it is an essential prop to maintaining the Camp David peace process.

During the long and complex diplomatic manoeuvres necessary to establish the force, the Reagan Administration was accused by its critics abroad

of any new arrangement and to pay the costs. The Treasury is also breaking new ground by making interest-free pay advances for the purchase of season tickets. Some modest improvements in leave allowances are included. Mr William Kendall, general secretary of the Council of Civil Service Unions, said: "This stupid and ludicrous offer is a cynical attempt to give nothing in the name of something. It is an offensive offer calculated to exacerbate an already dangerous industrial relations situation."

There was no threat of a repeat of the 21-week dispute that paralysed key sections of the Civil Service last year and led to the setting up of the current inquiry into Sir John Megaw, a former appeal court judge. His report is expected in the summer.

In detail, yesterday's Treasury package offers 65,000 employees no pay rise; 1 per cent to 70,000; 1.5 per cent to a further 95,000 and the largest rise of 5.5 per cent to 240,000—almost half the service. There would be no increase for most adult new recruits in their first year of service, and no change in the lowest step of incremental scales at any level.

A cruiser for P&O - made in Finland

By Alan Hamilton

With a boldness worthy of the old Elizabethan adventurers, P & O's British shipping company has placed an order for the largest and most expensive purpose-built cruise ship ever constructed, to enter service late in 1984.

The 40,000-ton vessel, to be built in Finland at a cost of £80m, will carry 1,200 passengers in unashamed and expensive luxury. As yet unnamed, and known only as "Yard No 464", the new ship will be considerably smaller than either the Queen Elizabeth II (57,000 tons) or the P & O flagship, Canberra (45,000 tons), but both these vessels were also built for regular passenger service, a trade that is all but dead.

No 464 will still be the largest passenger ship ordered by a British line for 20 years, but will increase the P & O cruise fleet, already the world's largest, to eight.

Announcing the order yesterday, Dr Rodney Leach, chairman of P & O Cruises, said that 19 shipyards throughout the world had been approached, including British Shipbuilders and the troubled Harland and Wolff yard in Belfast, but none of the United Kingdom builders had been able to satisfy P & O's demands on price and delivery dates.

The contract has gone to the Wärtsilä yard in Helsinki. "We believe they have the right degree of experience, and the most imaginative ideas," but they really won on cost and time, Dr Leach said.

Britons will not build No 464, nor will they be the first to sail in her. She will enter service initially on the lucrative and still-growing North American cruise market, where P & O has a reputation that it is now the largest cruise operator on the west coast, and in need of more tonnage to satisfy demand.

Later, the new vessel will sail on routes to the European and Pacific coasts, Dr Leach said, but she will remain a British-registered ship.

P & O has managed to ride the storms of recession better than some competitors, by operating a fleet of relatively untroubled vessels at the top end of the market. Internal details of No 464 are being kept secret, but Dr Leach gave an assurance that it would contain some innovative features and would be the first of a "push" cruising, buoyed by P & O's century ago.

"We have always said we would order a new ship when we judged the timing was right in the marketplace. We are building the first ship for the 1990s. We have demonstrated that cruising can be profitable for a company with a broad spread of business," Dr Leach said.

Most cruise ships of all nations, however, ply the oceans, but 40 of them, including the Belfast-built Canberra, are more than 20 years old and will soon need replacing. The largest of all remains the 71,000-ton Norwegian liner, France, until bought and refitted by a Norwegian line.

Compared with her, and compared with the QE2, No 464 will be a doddle. She will be under 700 ft long, compared with the QE2's 963 ft. She will carry a crew of 500, half that of the Queen, and 300 fewer passengers.

At the time of the Queen's old pre-war Queens, which were not only the largest passenger ships ever built, but which were also ordered at a time of deep recession.

Mr Stanley Orme, Shadow Industry Secretary, last night tabled a question to the Prime Minister about P & O's decision (The Times Association report). And Dr John Cunningham, Labour's frontbench spokesman on shipping, said: "It is appalling that this major and significant order from one of the largest British shipping groups should have gone to a foreign yard."

The executive of the engineering union, the Society of Marine Engineers, to Mrs Margaret Thatcher, Mr James Prior, the Northern Ireland Secretary, and the chairman of P & O, Rodney Leach, said: "It is appalling that this major and significant order from one of the largest British shipping groups should have gone to a foreign yard."

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Findings of the McCarthy inquiry

Use negotiating machinery, rail parties are told

The following are extracts from the conclusions of the committee of inquiry report and recommendations on the dispute between the British Railways Board and the Associated Society of Locomotive Engineers and Firemen:

Constraints and problems

When we agreed to undertake this inquiry we were well aware of a number of constraints and problems which we would need to overcome in the first place before we could begin to look at the background of continuing industrial action and the loss of railway services and revenue. At the very least, this has imposed on us the need to find a quick and effective basis for a return to normal working.

It has been our experience that the constraints are not the best aids to arriving at lasting solutions to complex industrial problems. Secondly, and just as important, we were already involved in the operation of the Board's established machinery for settling issues in dispute between all the parties. Our chairman, the Rt Hon. Lord McCarthy, has been a member of past tribunals which have made awards which were likely to be quoted in this inquiry.

Presumably it was partly for this reason that we were asked by the chairman to undertake the inquiry. It must have been assumed that we knew something about the issues in dispute, but our own involvement has made us very much aware of the need to safeguard the continued acceptability of the established machinery for settling issues in dispute between all the parties.

Yet as things worked out, our third constraint proved to be the most severe. When we agreed to serve we were given reason to believe that all the parties to the machinery would appear before us. This did not turn out to be the case and although we were able to secure the basis for the participation of the Aslef, it has not proved possible to arrive at a mutually acceptable basis for securing this objective. Nevertheless, and after careful consideration, we were convinced that it was in the interests of all that we should not abandon our allotted task.

Origins of the present dispute

Given these constraints, we feel able to provide an account of the origins of the dispute. It arose out of the actions of the Board after the publication of RSNT Decision 75. The Board's decision was made under Paragraph 190 of the machinery and was not binding on any of the parties. The Board was, therefore, free to the view that the recommended pay increase of a further 3 per cent from August 1981 was not acceptable to them unless there was more progress in the implementation of the machinery. The Board's decision was made under Paragraph 190 of the machinery and was not binding on any of the parties.

The Board's view is that all along they made clear their intention to negotiate the obligations under sub-paragraph 1 (ii) of the pay understanding as "conditional" on satisfactory "progress" in respect of the implementation of the machinery.

They assert that although there was some slow progress in the implementation of the machinery, there is only one part where they are complaining about the rate of progress at the present time; that is, sub-paragraph 2(c) on (variable) rostering hours within limits to be negotiated. And even here their complaint is one directed at the attitude of the Aslef.

The Board charges the society with failing to negotiate — by which they mean that the Aslef has not been prepared to consider forms of flexible rostering which involve moving away from the existing agreement on the eight hour guaranteed day.

In effect, the Board is saying that its declared intention to make the payment of the additional 3 per cent progress on productivity justified its refusal to grant Aslef members either more pay or shorter working hours.

However, the unions appearing before us do not accept that the board's decision in acting as it did. They stressed that the preamble to the understanding states that the board is to be regarded as a "separate understanding" to that on wages.

It was true that reference was made in paragraph 3 of the pay understanding to the terms of Paragraph 190 of RSNT Decision 75. But, say the unions, as set out in paragraph 2, this does not justify linking the 3 per cent payment to

made in the areas covered by Clause 1(i), (ii) and (iii) of the 1980 Pay Agreement.

(3) The relevant terms of the 1980 Pay Agreement dealing with the shorter working week are as follows:

"(9) The Board accepts a commitment to reduce the shorter working week of staff covered by the RSNT from the present level of 40 hours for conciliation staff and 38 hours for salaried staff by the equivalent of one hour from November 1, 1981, providing this is done within the context of discussion of measures which will minimize the cost effect."

(4) Paragraph 190 of Decision 75 reads:

"We fully appreciate that given the financial and market constraints that press on the industry, adequate pay and conditions must continue to be dependent on what can be done to maintain and improve productivity. It has been made clear to us that the current proposals for productivity improvements were not before us as a tribunal and we were not asked to take them into account. Nevertheless, we were told by the board that their present offer is dependent on the understanding that negotiations on productivity will continue. Moreover, all parties have pointed out that already substantial progress has been made as a result of negotiations last year. We welcome this development, and hope that if our decision gets accepted, further and more substantial progress will be achieved."

(5) In addition to these two understandings, the parties also agreed a preamble which reads as follows:

"1. As a result of discussions held under the auspices of Aslef, NUR and TSSA, the RSNT has reached an understanding on pay. Stemming from Paragraph 190 of RSNT Decision 75, a separate understanding has been reached on productivity. Copies of these understandings are attached."

2. In the event of there being any problem regarding application of either of the two understandings, the RSNT may request the further assistance of Aslef.

3. The three unions (Aslef, NUR and TSSA) will take immediate steps to recommend to their members the respective executives, following which Aslef and NUR will countermand their decisions to call out their members as from August 31 1981."

As we understand it, the origins of the present dispute lie in the fact that there is no mutually acceptable view of the obligations incumbent on one or another of the parties as a result of these agreements. We have to state, therefore, that we understand the position of each of them, to the best of our ability.

The views of the parties

The Board's view is that all along they made clear their intention to negotiate the obligations under sub-paragraph 1 (ii) of the pay understanding as "conditional" on satisfactory "progress" in respect of the implementation of the machinery.

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Peer with a mind for disputes

McCarthy, the arbitrator

By Ian Bradley

Lord McCarthy has never made any secret of his support for the British labour and trade union movements.

His career owes much to trade union backing. He left school at 14 and worked in a men's outfitters and as a clerk in the Army before winning a scholarship to Ruskin College, Oxford, from his union, the old Clerical and Administrative Workers' Union.

Lord McCarthy has retained an Oxford connexion ever since. After Ruskin, he won a first in PPE at Merton, and he became a research fellow at Nuffield College in 1959. He is still a fellow of Nuffield and the Oxford Management Centre and holds a university lectureship in industrial relations. It is for his interventions in disputes, rather than his academic work,

however, that Lord McCarthy is best known. He has been actively involved in industrial arbitration since 1962. He devised the formulas that ended the firemen's strike and the Post Office engineers' work-to-rule during the former Labour government.

Lord McCarthy has been chief arbitrator for the railways since 1973. In the view of many observers his period as chairman of the Railway Staff National Tribunal has been characterized by a rather too relaxed view of their need to improve productivity.

The decision of his tribunal last summer to recommend a 10.5 per cent pay increase for all railwaymen surprised the British Rail management by its generosity. It plunged British Rail into the industrial relations crisis which

has culminated in Aslef's present series of strikes. Not all his decisions have been so favourable to the unions, however. In 1979, for example, he rejected a 10 per cent productivity payment demanded by Aslef and recommended only 5 per cent.

Lord McCarthy has always been a strong supporter of the Labour Party. He was a special adviser on industrial relations to Sir Harold Wilson's government and he led the attack on a statement of the Government's Employment Act when it was going through the House of Lords.

He was ennobled in 1975. Both he and his wife are mainstays of the Oxford Labour Party. Lord McCarthy's first book was a defence of the closed shop in Britain. His next will be on strikes in the country since the war.

They have also argued that the specific examples of more flexible rostering placed before them suffer from practical defects; for example, they will require more administrative staff, create problems of "spare coverage" and be difficult to operate in periods affected by annual holidays. They are also said to be difficult to square with established practices relating to the "equalisation of earnings", and the protection of "seniority" and "rest periods".

Other problems raised include the "method of utilizing spare men" and the provision of special trains. On balance, say the Aslef, the board's proposals would produce "a considerable amount of chaos and might even result in the cancellation of services".

In any case, the society argues that the board already has at its disposal considerable flexibility to vary the length and timing of rostering hours. For example, these can be moved two hours either way from day to day under existing agreements.

Finally, the society says that the introduction of the shorter working week, under the terms of the 1980 Pay Agreement, is "separate and apart" from the question of flexible rostering.

Yet once again, at least on our reading of these documents, the society has not wished to present its case in a wholly convincing and negative and obstructive. Thus it has been prepared to discuss the limits of a "mutually acceptable" rostering arrangement in the eight hour day — that is in the terms set out in sub-paragraph 2(c). Our documents also suggest that it should take the form set out below:

a) First, there should be a meeting of the Railway Staff Joint Council (RSJC (Loco)) within seven days of the acceptance of our recommendations. The board should present its proposals for implementing sub-paragraph 2(c) of the productivity understanding to the RSJC (Loco) within seven days, or unless the RSJC (Loco) agrees to extend this period, a failure to agree should be recorded and arrangements made for a meeting

of the RSJC (Loco) within a further two days.

(ii) Second, unless at the meeting of the RSJC (Loco) there is agreement on a means of implementing sub-paragraph 2(c), or the RSJC (Loco) agrees to extend this period, a failure to agree should be recorded and arrangements made for a meeting of the RSJC (Loco) within a further two days.

enable the board to refer the issues in dispute to the RSNT in a form prescribed below.

e) To help in this case we consider that it would be advisable for us to recommend to the parties a form in which the issues in dispute should be placed before the RSNT. Our recommendation is as follows:

"To ask the Railway Staff National Tribunal, established under appendix part VI, of the agreement in regard to the machinery of negotiation for railway staff, dated May 28, 1956, to consider (under the Appendix) the proposals of the British Railways' Board for the implementation of sub-paragraph 2(c) of the 1981 productivity understanding to footplate staff and to award."

f) We have set out above a procedure for dealing with the issues in dispute under sub-paragraph 2(c) of the productivity understanding. It is to be applied to footplate staff. Given the agreement of the parties in dispute to this procedure, we recommend that two things should happen: The Aslef should agree to call off all forms of industrial action and return to normal working. At the same time the board should agree to implement paragraph 1(ii) of the pay understanding.

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not provided with a veto which they alone need interpret.

On the other hand, the two agreements are obviously related, and it is not clear why they were not signed with each other. The productivity understanding was what the Board required before it would implement Decision 75. The unions agreed, because they wanted to secure the additional increase.

Our own view is that what has been agreed so far as a result of these separate negotiations under the productivity understanding is intended to undermine or detract from what has been achieved.

Which brings us to the nature of the dispute between the board and the Aslef. The stated view of the board is that sub-paragraph 2(c) involves and implies far-reaching changes in existing agreements and practices. They also take the view that its implementation is inextricably bound up with their proposals to move towards the shorter working week. What has been suggested has already been agreed with other grades — most notably in respect of guards. The board considers this practical and reasonable and agrees that it should be accepted in principle by the Aslef.

The Aslef view, as we understand it, does not involve a reneging of the understanding of August 1981, which they endorsed at the subsequent RSNC.

What it does is challenge the board's interpretation of them as they apply to footplate grades. In particular, their view seems to be that the implications of sub-paragraph 2(c) can be reconciled with existing agreements, including the introduction of the shorter working week as specified in the 1980 agreement and paragraph 2 of the productivity understanding.

We fully understand the board's viewpoint, and why it takes the view it does; what we do not understand is the context of its own commitment to improve productivity and contain costs. The Aslef must be given an opportunity to make their case for an alternative solution in a forum where the board can rely on receiving a speedy and independent judgment on the dispute between them.

But, given the present circumstances, it seems unreasonable and counter-productive to expect us to provide definitive answers to the complex questions in the absence of the Aslef and in the middle of an industrial dispute which is causing great harm to the railway and inconvenience to the public. . . . We feel that the best way out of the present problem is to make a means of settling the established machinery, bearing in mind the need to avoid unnecessary delay and safeguard the interests and agreements of all the parties.

We turn now to our attitude towards the board's decision not to pay the 3 per cent and its consequences. We feel that the best case that can be made for the board is that it had come to the conclusion that it was justified in acting as it did because it was itself in breach of the productivity understanding.

The weakness of their position is that the board's understanding was not conditional in the narrow technical sense on productivity being achieved, but that it did include a very important clause referring to the continuance of negotiations. . . .

We find that we cannot agree that there were no unused resources within the established machinery when the board decided to withhold payment of the 3 per cent. As the other unions, guards, conductors and drivers, have been a formal failure to agree on the November 30 at the level of the RSJC (Loco) which was used to open the way to a further "decision" at the subsequent RSNC.

This could have led to a reference to the RSNT under the terms of Paragraph 65(b) of the machinery. Any award made would not have been binding, but in our experience the record of the parties indicates that an award would have been considered seriously, and might well have offered the best way out of the current impasse.

Of course we understand why the board decided instead to invoke the aid of Aslef, but when the Aslef refused to agree to the established procedure could have been put to us that the Aslef is itself a party to the procedure, and that opportunities for further discussion within the machinery were open to them also. Unfortunately we have not been able to put this point to the board or their response.

As it was the board decided to withhold the 3 per cent and the Aslef seems to have taken the terms of Paragraph 65(b) of the machinery as a challenge, we reversed their view and recommended that they should attend a meeting of the RSNC.

As a result, the present dispute has become a prolonged and damaging industrial conflict which we cannot believe that any of the parties either envisaged or intended. It is clear that this was a disaster for the railway industry, but in the circumstances we do not feel it would help if we were to seek to apportion further blame.

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£33m spent in tracing benefit swindlers

By Anthony Bevins
Political Correspondent

The Government spent more than £33m last year in tracking down people who were fraudulently drawing social security benefits, according to government estimates.

But the irrecoverable fraud losses of £4,234,561 in 1980-81, partly reported to Parliament by Sir Geoffrey Otton, the Second Permanent Secretary at the Department of Health and Social Security, were not the total figure, more remains untraced.

Mr Barry Sheerman, Labour MP for Huddersfield, East, has been told by the Minister for Social Security, Mr Hugh Roast, that there were an estimated 2,250 officials engaged in specialist fraud duties at the end of last year.

The cost of salaries amounted to £18.1m and other costs, including superannuation, accommodation and travelling expenses, were put at £15.3m for the year.

Mr Patrick Jenkin, then Secretary of State for Social Security, told the Commons last May that the employment of an additional 1,050 specialists on social security fraud and abuse had saved the Government an estimated £40m in 1980-81. He also said: "In total, DSS staff working in this field, who number about 5,600, saved the taxpayer and the contributor some £170m during 1980-81."

Cash lost "due to irrecoverable overpayments" made because of fraud, given by Sir Geoffrey for 1980-81 in the year's official Appropriation Accounts, amounts to £3,626,485 in supplementary benefit, £125,058 in family benefits and £48,863 in pensions.

Employment Department figures for irrecoverable benefit fraud losses, which are not published, give a provisional estimate of £434,155 for 1980-81.

No figures are provided on the amount of money recovered, but the department counters any attempt to compare the outlay of £33m with the £4m net loss by pointing out that the "write-off" bears no relationship "to the total size of the fraud and abuse problem."

An undated memorandum from the Secretary of State, in the House of Commons library, says that the £4m relates only to fraud, "and not to abuse such as voluntary unemployment."

It says that the £4m relates only to discovered fraud, not to the total loss to public funds.

Finally, it has no regard to the benefit that would have been paid if our specialists had not detected and stopped the fraud. Hence the figure of £4m is irrelevant to the question of how much effort should be put into tackling fraud and abuse.

Dr Dopple and his colleagues conclude that the fraud probably creates a substance which increases the intestinal absorption of dietary calcium, but not by the inhibitors.

It remains to be seen whether that result will hold true for any forms of human cancer and, if so, whether a calcium-free diet will cause more problems than it will prevent.

Source: Proceedings of the National Academy of Sciences, vol 79, p 640, 1982.
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Parents' say in curriculum backed by MPs

By Diana Geddes, Education Correspondent

Rationalization of the school curriculum and a greater say for parents in the education of their children are recommended by the Commons Select Committee on Education and Science in its report on the school provision for pupils aged 14 to 16, published yesterday.

Mr Christopher Price, chairman of the all-party committee, said their report was "the first comprehensive survey of the secondary school curriculum and its legal framework since the passing of the Education Act, 1944, nearly forty years ago".

In the 150-page, wide-ranging report, the committee says it is convinced of the need to take stock. Confusing and conflicting pressures had produced a secondary curriculum which seemed to have unclear targets. The system generated for children in different schools quite significant inequalities of opportunity.

There were particular problems for children who moved from one area to another. The diversity of curricula left many parents and employers uncertain what to expect. Too many options had been introduced. The curriculum needed to be pruned and planned as a coherent, balanced package for each child.

The committee recommends that the new regulations requiring each school to publish information for parents be amended to lay down a requirement that such information include an explicit statement of the school's curricular aims together with details of what it offers.

It proposes a set of model principles to which the governors and staff of each school should have regard in drawing up curriculum plans. The first of those principles, should, in the words of section 76 of the Education Act, be that "so far as is compatible with the provision of efficient instruction and training and the avoidance of unreasonable public expenditure, pupils are to be educated in accordance with the wishes of their parents".

The second, it suggests, drawing on section 8 of the Act, should be that "all pupils have opportunities offering such variety of instruction and training as may be desirable in view of their different ages, abilities and aptitudes".

On discipline, the committee recommends that the school head, staff and governors, including parent governors, should be free to determine the disciplinary policy and practice of their own school.

As reported in *The Times* earlier this month, the committee calls for the Education Act to be amended to give the Secretary of State clear powers to intervene where a "nationally agreed guaranteed (educational) provision appears to be at risk".

However, the committee failed to make clear at its press conference yesterday what would decide what that nationally agreed provision should be, or how it would be guaranteed.

The normally moderate, mildly-spoken Secretary of State, Mr Kenneth Baker, has written a letter of criticism to Sir Keith Joseph, Secretary of State for Education and Science, bemoaning the apparent impotence, dilatoriness and lack of vision of his department.

Mr Donald Frith, secretary of the association, says he feels an increasing sense of exasperation about the whole educational scene.

The Secondary school curriculum and examinations, with special reference to the 14 to 16 year age group, House of Commons Paper 116-1 (Stationery Office, 17p).



Policemen and pickets struggling yesterday outside the gates of the Laurence Scott factory, in Openshaw, Greater Manchester.

Pickets and drivers clash in dawn raid on factory

Trouble flared outside the closed Laurence Scott factory, in Manchester, yesterday when the owners moved in to take away machinery from the besieged plant. Two people were arrested, and later bound over to keep the peace, as stones and bottles were thrown

at a convoy of lorries after a barman had rung the electro-motors factory in Openshaw, which closed last April with the loss of 650 jobs. About eighty pickets were present when the lorries arrived soon after dawn. Missiles were thrown and one of the lorries, which were driven by non-union workers.

Before dawn about a dozen workmen with pneumatic drills and hammers had torn down a concrete barrier blocking the plant's main entrance. It was believed to have been put up some time ago by people sympathetic to the workers. The police kept pickets away while the barrier was being torn down.

Last night the police began a 24-hour guard on the factory to allow the management to remove the machinery. The work may last up to 10 days.

Cannabis found in a car

Ex-secret agent jailed for drugs smuggling

By Stewart Tandler, Crime Reporter

Howard Marks, sometime agent for MI6, pleaded guilty at the Central Criminal Court yesterday to his part in an international cannabis smuggling group in the early 1970s and was sentenced to three years imprisonment.

Last autumn, Mr Marks, aged 58, of west London, was found not guilty of being the British mainstay of a plan to import 15 tons of cannabis into Britain from South America, but he was jailed for two years for charges involving false passports.

Yesterday Mr John Rodgers, QC, prosecuting, said six loads of cannabis hidden in sound equipment for pop groups was sent to the United States in 1973, but the seventh cargo was discovered. Mr Marks pleaded guilty yesterday after his counsel had asked the court earlier to consider a plea of *aute fuis convicti*, which Mr James Miskin, the Recorder of London, rejected.

It was argued that Mr Marks had already been partly acquitted and partly convicted on the same offence by a Dutch court in 1975 in his absence. He was found guilty of possessing 42 kilos of cannabis left in a car, but not guilty of possessing 400 kilos.

Yesterday the Recorder told Mr Marks that he had acted out of greed and "a total insensitivity to the misfortunes of the ultimate users".

In fact, Mr Marks will be released shortly. Mr Bernard Simmonds, his solicitor, said afterwards that the sentence would be served concurrently with the sentence for the false passport offences and that sentence took into account Mr Marks had been held on remand since his arrest in May 1980. His sentence for the passport offence ended five days after he was convicted last November and he had been held since yesterday's case.

A tangled world of cannabis and spying

Dennis Howard Marks, described by friends as a charming, roving, and somewhat irresponsible, has over the past 10 years gone from research studies at Oxford to partnership with one of America's largest drug organizations, to work for MI6 against the Provisional IRA.

Last year he was acquitted of being the British mainstay of a transatlantic organization which shipped 15 tons of cannabis into Britain. Yesterday he pleaded guilty at the Central Criminal Court to his part in a conspiracy to smuggle thousands of pounds worth of cannabis into the United States in a separate operation many years earlier, which had no connection with last year's case.

In the trial last year the Crown conceded that Marks was used by MI6 in 1973. At that time a Mexican was called in Marks's defence and although the man's credentials could not be checked American sources have told *The Times* that he did work for the Mexican Government.

A gregarious man, Marks, now aged 58, comes from a Welsh middle-class family. He won a scholarship to Balliol College, Oxford, to read physics, and took an honours degree. He worked for a higher degree at Sussex University and then returned to Oxford.

At the beginning of the 1970s Marks was still at Oxford, drifting through jobs. He became director of a dress shop in Oxford called Annabelinda, but the shop was only part of a much wider life.

At Oxford he had been friendly with another undergraduate who was later suspected of drug dealing between Britain, the United States and Ireland. The man was also believed to be sympathetic to the Provisional IRA.

Through his former student colleague, Marks met a man called James O'Neill in Amsterdam, which in the late 1970s was the great drug entrepot for Europe. The man's real name was James McCann, a Provisional IRA activist who in 1971 became the first man to escape from Crumlin Road prison, Belfast, in 20 years while awaiting trial on a fire bomb charge.

MI6 and the Dutch police were taking a keen interest in Mr McCann, nicknamed The Fox, who lived a flamboyant life in Holland and was suspected of running arms to Northern Ireland.

According to Marks another of his former Oxford contemporaries appeared in 1972 with a great interest in McCann's activities. Hamilton McMillan had played the part in a Balliol show organized by Marks, but now he worked for the Foreign Office. Marks said he was recruited to spy on McCann.

Meanwhile, Marks became part of the European and American plan to smuggle cannabis to the United States for the Brotherhood of Eternal Love. The smuggling method was simple, but effective. Hashish was hidden inside sound equipment for rock'n'roll bands said to be touring Europe. The equipment was sent to Europe, packed with drugs and then shipped to the United States.

In November, 1973, Marks was interviewed by Dutch detectives in Amsterdam and returned to Britain where he was charged, with a number of others, by customs officers. On April 19 he disappeared.

By 1975 Marks, with a false passport, was back in Britain. Yesterday it was said that he took a false identity because the publicity surrounding his disappearance and possible links with MI6 might endanger him.

Heseltine aid for high spenders

By Hugh Noyes, Parliamentary Correspondent

Mr Michael Heseltine, Secretary of State for the Environment, has changed the basis on which local authorities are judged to have exceeded the expenditure targets set by his department in a way that may enable some of the high-spending authorities to escape the penalty of a cut in their rate support grant.

The High Court ruled last October that he had acted unlawfully in cutting the rate support grant of six London boroughs. The judges quashed the decision to abate the grant on the grounds that the Secretary of State had failed to listen to new representations from the authorities concerned.

As a result of the new dispensations, announced in the Commons yesterday during a debate on various rate support grant orders, it may be that some of those six authorities will be able to avoid the penalties originally imposed.

Mr Heseltine told the House that he had carefully considered representations and he still intended to reduce the amount of grant payable in 1980-81 to those authorities whose adjusted uniform rate exceeded 155p and whose expenditure did not qualify for a waiver. However, he had decided to modify the condition for waivers, and performance would be recalculated.

Cut Ulster job-finding cost, Rayner says

By Anthony Bevins, Political Correspondent

A confidential Whitehall report recommends an 18 per cent cut in the budget for Ulster's Employment Service, with a general rundown in the job-finding facilities offered to the province's 113,000 unemployed.

The study, carried out under the guidance of Sir Derek Rayner, the Prime Minister's adviser on Whitehall waste and efficiency, is said to have excited Mrs Margaret Thatcher's "particular interest".

But with Northern Ireland unemployment running at about 20 per cent, and with the Cabinet expected to decide tomorrow the fate of the 1,500 remaining jobs at the De Lorean Motor Company, in Belfast, the political repercussions of the report could far outweigh the saving of £1.4m a year.

It was emphasized last night that no decisions had yet been taken on the report, but its authors pointed out that the general philosophy behind their conclusions "may be of interest to those involved in similar activities in Great Britain".

It is stated that the main function of the Employment Service "is to satisfy the employment needs of individual workers seeking jobs and of individual employers seeking workers".

In 1980, with 600 staff work-

ing through 27 main offices, the service placed 23,000 people. The Rayner inquiry, headed by a principal from the Civil Service Department, calculated that with refined figures on employment activities, there was an average cost of a placing of about £175.

But after an intricate examination of the need for the service to start with, an exercise which was "regarded as unnecessary by some of those consulted", it was decided that there were a number of serious grounds for coplan.

The report states: "The activities of the service have been directed in recent years towards achieving a larger and better share of the labour market; even to the extent of competing with other means of recruitment."

"The economic justification for this approach by a publicly financed body is slender."

It is suggested that the 5,000 "marketing or development" visits to employers in search of jobs are not cost-effective, but the two main economies of the report came from conclusions reached of review interviews and compulsory registration, which it is recommended should both be scrapped.

The report recommends that the law should be changed to bring in voluntary registration with a system similar to one being proposed for Britain.

NEWS IN SUMMARY

Edwardes threat to BL strikers

The BL board will on Friday consider closing down the company's vehicles plants at Leyland and Bathgate if the protest strikes against redundancies at the two factories are not called off by mass meetings (our Labour Correspondent writes).

That was made clear in a hand-written letter from BL's chairman, Sir Michael Edwardes, delivered to the offices of the Amalgamated Union of Engineering Workers yesterday as the executive of the union, the biggest in the Leyland group, met to consider the breakdown of peace talks on Monday.

The AUEW executive promised to continue formal bargaining if the strikes continued, but is at the same time ensuring that the contents of Sir Michael's note are put to the mass meetings at the Lancashire and Scottish plants tomorrow and Friday.

The letter is also being distributed to all national union offices.

Heathrow men continue dispute

British Airways ramp workers continued their protest action against the imposition of new work rosters and to increase the number of pickets at Heathrow Airport.

The workers decided not to begin picketing overseas flights again until today. That could give British Airways time to organize more volunteers to load baggage and provide catering for their big jets on long haul flights. On Saturday, baggage loaders and caterers refused to cross picket lines.

Rampton admits jailed woman

Mrs Brenda Baker, aged 49, a mentally subnormal woman with three convictions for arson, was readmitted to Rampton Hospital yesterday after a month in prison, despite objections by the Department of Health and Social Security.

In January Judge David QC, senior circuit judge for Chester and North Wales, jailed her for 28 days because the Merseyside health authorities refused to take responsibility for her.

Thorpe meets Amnesty staff

Mr Jeremy Thorpe, the former Liberal leader and new director designate of the British section of Amnesty International, met his new staff yesterday. He described them as "very friendly and very receptive".

Provincial police get more cash

By Peter Evans, Home Affairs Correspondent

The Government sought to lessen the prospect of cuts in spending largely by former Laker staff and flying under the flag of British Caledonian.

The decision was greeted with caution by the Labour-controlled Association of Metropolitan Authorities which was worried that the money available, £13m, would not be enough to meet authorities' needs. Mr Edwin Shore, chairman of the West Midlands Police Authority, one of the worst affected by the government squeeze, said: "Any help, however small, will make a difference. No one wants to see the police budget cut. It is too important for that."

Mr Heseltine said in the Commons that the position of police authorities outside London would be improved by the news yesterday that the rate precept of the Metropolitan Police would be based on a budget approved by the Home Secretary providing for total spending of £225m in 1982-83, which was about £13m lower than estimated.

The Department of the Environment said that the £13m would be available to forces outside London.

The move is in response to complaints from the AMA that the Government had increased the approved expenditure for the Metropolitan Police by 24 per cent, compared with an increase for other forces of 8.4 per cent.

Fifty thousand jobs were threatened in six key regional forces, according to the AMA.

In the House Mr Heseltine said he had shown his willingness to be flexible, but that was not what was demanded from the West Midlands said after seeing him last week.

He acknowledged that the local authorities had been set tough targets, but the Government attached priority to law and order and had given its costs priority.

The Metropolitan Police said yesterday that its precept had been raised mainly because of pay and price rises, more police officers on the strength, and the cost of civil disorders.

The precept for 1982-83 would be 18.05p in the pound, compared with 15.35p in 1981-82.

Laker rival leases two DC-10s

By David Hewson

Two of Laker Airways' 380-seater DC-10 aircraft will be back in the air in April, crewed largely by former Laker staff and flying under the flag of British Caledonian.

The firm has reached agreement with the Laker receiver for the lease of the two aircraft during the summer for £1m. The move has saved British's summer holiday day companies from a scramble for plane seats.

The two aircraft were committed to a summer holiday programme to the Mediterranean which would have carried about 125,000 passengers, most of them from small tour firms. British Caledonian's agreement will involve the charter of the aircraft to the tour company, Owner Services Ltd, and the air brokers, Britair International, acting on behalf of a group of 44 other holiday operators.

Mr Alastair Pugh, managing director of British Caledonian, said yesterday: "We are delighted that we will be able to provide the flights to ensure that the summer holiday arrangements of 45 United Kingdom tour companies will operate as planned."

The aircraft will be repainted in British Caledonian's colours for the period of the charter, which runs from April until the end of October, but will still be for sale, in the unlikely event that a buyer for them materializes. The charter will provide temporary work for about 120 people.

British Caledonian has also applied to the Civil Aviation Authority for permission to take over Laker's licence to fly from Gatwick to Los Angeles.

Sir Freddie Laker yesterday continued meetings in the City about his plans for a "People's Airline".

Sir Freddie has stopped Lloyd's, the London insurance market supported by wealthy individuals.

He will remain a member of Lloyd's, but in a letter to his underwriting agents, Newgreen, he said that "in view of his considerable financial problems and bearing in mind Lloyd's continuing means test requirements he felt it only right to cease underwriting".

The National Union of Journalists is considering making a legal challenge to the decision by the board of Times Newspapers Ltd, to transfer the titles of *The Times* and *The Sunday Times* to News International, its parent company.

The NUJ is understood to have consulted the National Society of Operative Printers, Graphical and Media Personnel, the union most directly affected by planned cuts at the two newspapers on the morning of the new agreement to meet counsel today with a view to seeking a High Court injunction to prevent Mr Rupert Murdoch, chairman of News International, going ahead with any liquidation of Times Newspapers Ltd, as a result of failure to reach agreement with the unions on the job cuts proposed.

The Prime Minister replied: "It looks as if the legal situation is very complex. As there is more than one view upon it, I am therefore not the person, as Mr Rippon, the Right Honourable and learned gentleman knows, to pronounce on a legal matter. The Secretary of State is of course looking into it to see whether or not the law has been upheld."

The NUJ's national officer for Fleet Street would only say last night: "We are exploring all avenues. We would, however, much prefer sensible negotiations against a sensible timetable."

'Times' unions consider court actions

By Donald Macintyre, Labour Correspondent

Mrs Margaret Thatcher declined yesterday to intervene in the controversy over the titles when asked by Mr Geoffrey Rippon, Conservative MP for Hexham, to consider setting up an inquiry into the circumstances and effects of transferring the titles.

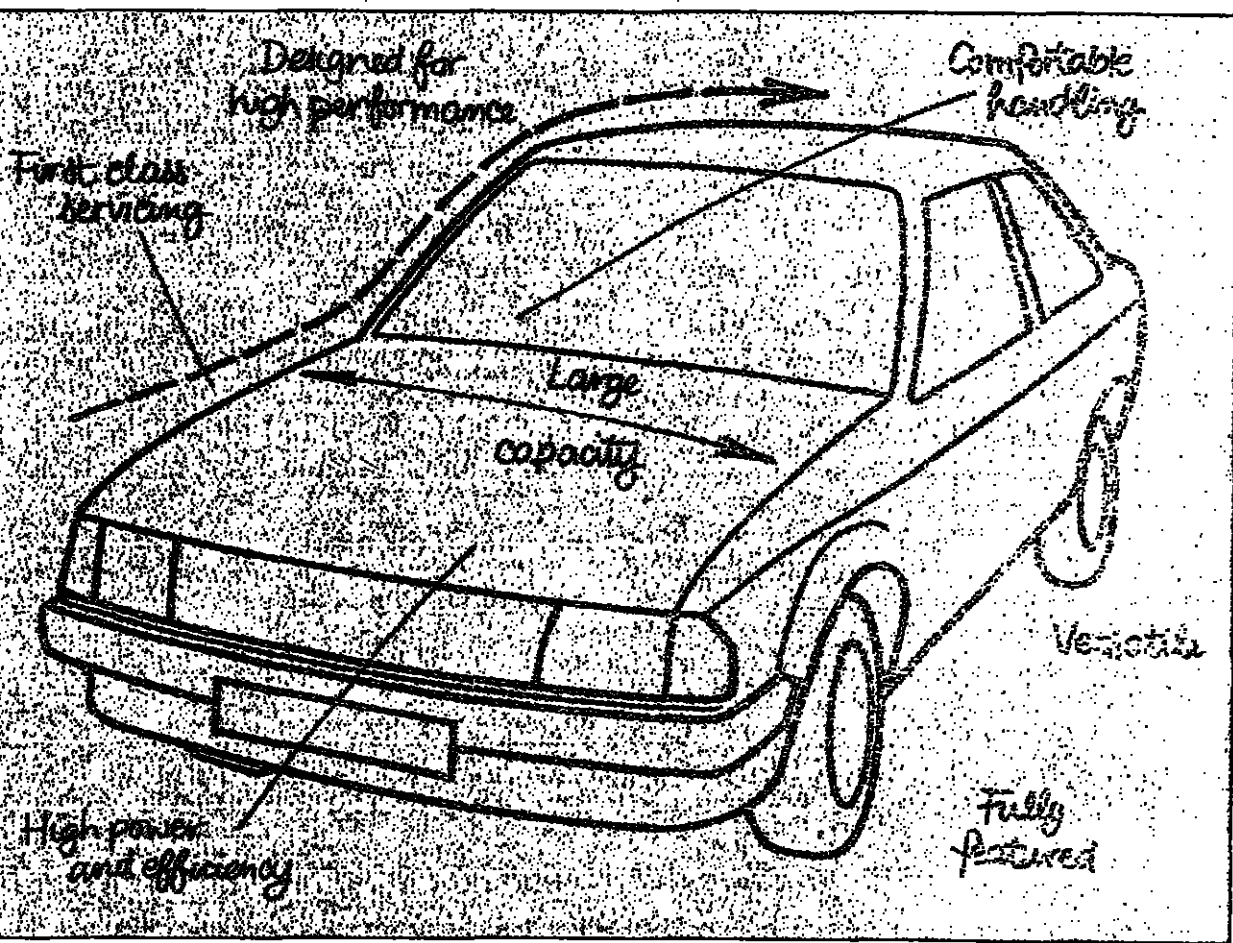
Mr Rippon asked the Prime Minister to seek an assurance from Mr John Biffen, Secretary of State for Trade, that there had been no breach of the letter or the spirit of the undertakings given by Mr Murdoch in January last year.

The Prime Minister replied: "It looks as if the legal situation is very complex. As there is more than one view upon it, I am therefore not the person, as Mr Rippon, the Right Honourable and learned gentleman knows, to pronounce on a legal matter. The Secretary of State is of course looking into it to see whether or not the law has been upheld."

The NUJ's national officer for Fleet Street would only say last night: "We are exploring all avenues. We would, however, much prefer sensible negotiations against a sensible timetable."

Meanwhile News International yesterday disclosed that the titles of the four *Times* newspapers had not been transferred with those of *The Times* and *The Sunday Times*. Mr Arthur Britenden, corporate relations director of News International, said that they remained in the ownership of TNL.

Chapel (office branch) officers of Natsons, from which 390 redundancies have been sought, said last night that 48 applications for redundancy had so far been received from the clerical staffs at the two papers.



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Peer intervenes over prison solicitor scheme

By Frances Gibb

Lord Benson, adviser to the Governor of the Bank of England and chairman of the Royal Commission on Legal Services, which reported in 1979, has made representations to the Home Office over its refusal to allow the setting up of a duty solicitor scheme in prisons.

His informal intervention comes after proposals for setting up a pilot scheme for duty solicitors to work on a rota basis in prisons in Manchester were rejected by the Home Office.

When the royal commission recommended that such schemes be set up in its report two years ago, the Home Office indicated that it did not object in principle to either duty solicitor schemes or the setting up of lawyers' surgeries.

But when the Manchester Legal Services Committee, a group of 25 lawyers and laymen which monitors and improves legal services in the Manchester area, recently proposed to set up a pilot scheme, the Home Office said that "this is not a good time to take the proposal further".

Mr Robert Kilroy-Silk, Labour MP for Ormskirk and chairman of the all-party general affairs group, which has written to the Home Secretary in support of the pilot scheme, said yesterday: "Lord Benson is very concerned and interested in the subject."

"He has been in touch with me to see if there was anything he could do and I suggested he spoke with the solicitor in charge of the scheme."

Mr Eric Knott, secretary to the legal services committee, said the Home Office would agree to a pilot scheme only if there were the resources to run the scheme nationally.

"They argue that you cannot provide a service in one prison and then transfer prisoners to another establishment where those facilities do not exist. Apart from the fact that prisons have greatly varying facilities anyway, on that basis you would never start anything."

In its letter to Mr William Whitelaw, the Home Secretary, the penal affairs group points out that prisoners and their families need legal advice on a wide range of problems, such as security of tenure, rent payments and welfare benefits.

Prisoners often did not have a solicitor or if they did he practised a considerable distance from the prison.

"Prisoners often do not seek out and obtain legal advice until it is too late, which can result in serious consequences, including the loss of home and personal possessions and serious financial problems", the group says.



Kiss of joy: Police Constable Ian Bennett with his wife as he left Bristol Royal Infirmary yesterday, a month after being seriously hurt in an attack in the St Paul's district of the city.

Man loses claim on redundancy age

By Lucy Hodges

A man who complained that British Rail discriminated against him because of his sex and would not let him take voluntary redundancy at the same age as women has lost his case at the European Court of Justice in Luxembourg.

The outcome of Mr Arthur Burton's case is a setback for those who were hoping to force changes in British law through using the court. "I am very disappointed," Mr Burton, of Armthorpe, Doncaster, said.

Mr Burton, who was employed at British Rail's accounts office in Doncaster, applied for voluntary redundancy at the age of 58 under a railways scheme. He was rejected because he was under 60.

He complained to an industrial tribunal that that amounted to sex discrimination because women were entitled to take voluntary redundancy at 55. But he lost because British law, the Equal Pay Act and the Sex Discrimination Act, exclude pensions or retirement from their provisions.

The state statutory retirement age is 60 for women and 65 for men.

90p a week more from ratepayers Doubts on future of GLC

By David Walker

After debates lasting for 12 hours in the past two days the Greater London Council was on the point yesterday of approving a budget for 1982-83 which although huge, involving £712m of current and £365m of capital spending, costing London ratepayers 90p more a week on average, raised more sharply than ever doubts about the council's purpose.

The council's transport plans apparently now need the approval of the Department of Transport and of a bench of lawyers, including the Attorney General. Sir Peter Massfield, chairman of London Transport, is openly advocating its "nationalization". The GLC's role as a housing authority has faded away; it now manages fewer properties than most boroughs.

For all the left-wing rhetoric of the ruling Labour Party, the GLC is run by officials of immense power. Sir James Swaffield, director general, and Mr Maurice Stonefrost, comptroller of finance, in recent weeks have come to dominate GLC policy-making in an unprecedented way.

The Labour Party's attempt to breathe new life into the council has been defeated by the suburbs, the Law Lords and the understandable antipathy of ratepayers to footing the bill for additional highly-paid staff, enterprise boards and police committees.

The GLC's future is now questioned, in private, even by Mr Kenneth Livingstone, its leader. His "moderate" Labour Party rival, Mr Andrew McIntosh, has made speeches recommending the transfer of the GLC's functions to the boroughs. Next month London Tories are to present yet another petition to the Prime Minister urging reform of the GLC and the Inner London Education Authority.

The budget passed yesterday properly marks the end of Labour's first year in power. Questions about the GLC's existence would have been raised had the Conservatives been returned at the elections last May. They were not. Mr Livingstone became leader at the head of a divided party with a left-wing caucus in control of policy.

Since its manifesto promise of cheap fares has been ruled illegal, London Transport's future is bleak. The judicial review culminating in the House of Lords in December has called into doubt public transport subsidies in all the metropolitan county areas. At the very least stations, bus routes and tube lines are to be cut during a period when fares will increase (above the doubling from March 21) and passenger numbers fall.

The Labour commitment to create 10,000 new jobs a year has disappeared. It is still not certain that the proposed Greater London Enterprise Board will be legal. Cuts in the government-approved GLC housing investment programme leaves it starting to build only 300 new dwellings in 1982-83 instead of thousands promised.

The GLC is planning to spend in 1982-83 £3m on "policy development" and £4m on "development" policy. The likelihood is that neither will come to much, although the council does retain a residual blocking role in office and commercial development in the capital.

Symbolically, Labour policy at County Hall has been represented by Mr Livingstone. Harassed by the press in his early months, Mr Livingstone has become something of a star. Of whom else could it be reported that a sample of 100 people stopped in Oxford Street produced 28 who correctly identified the GLC leader's face? (22 identified Mr Livingstone as a former heavyweight boxing champion).

While remaining stridently left-wing, Mr Livingstone has recently had to mature as a politician in order to make compromises and keep his badly divided party together. Labour lost two of its GLC councillors to the Social Democrats, Mrs Anne Sofel in a by-election and Mr Paul Rossi by straight defection.

By tiny margins Labour has tried to tidy up the administrative chaos left by the Lords' judgment. On Monday its estimates package squeaked through, leading Mr Livingstone last night to ask approval for a gross rates precept of just over 37p, up by half on that approved by the Conservatives last year.

Allowing for government grants, that means the GLC will be asking ratepayers for 34.8p in the pound in 1982-1983.

Opponents of heavier lorries unite

By John Young

An alliance of local authority associations and environmental groups joined forces with the Royal Town Planning Institute yesterday to campaign against the Government's plans to allow heavier lorries on the roads.

It was said to be an unprecedented gathering of forces, and it seems sure to present a formidable parliamentary lobby.

Apart from the institute, it consists of the Association of Metropolitan Authorities, the Association of District Councils, the National Association of Local Councils, Transport 2000, the Council for the Protection of Rural England and the Civic Trust.

The campaign is also supported in principle by the Association of County Councils and other organizations, including the National Federation of Women's Institutes, may be invited to join.



The Princess of Wales at Heathrow yesterday before leaving for a holiday on the island of Windermere, in the Bahamas, with the Prince. They travelled as "Mr and Mrs Hardy" in a British Airways jet, and as they stepped on board they were offered a "bucks fizz", champagne and fresh orange.

NEWS IN SUMMARY

Little rise likely in parole rate

Lord Harris of Greenwich, chairman of the Parole Board, said at Hull yesterday that the board was aware of prison overcrowding, which created an extremely serious situation but he doubted if the parole rate would rise dramatically (our Hull Correspondent writes).

If people were to ignore public feeling over parole there would be considerable anxiety. At present half of the people were in prisons were given parole and the failure rate was about 10 per cent.

There was a substantial number of vagrant types and people with mental illness in prison, he said, it was highly objectionable to have the mentally ill in jail, but the programmes for providing secure units for them were extremely slow to develop.

It would be idle to pretend that overcrowding had no impact on any of their decisions. It did not play a central role, but it might have influence on a highly marginal decision where the arguments for and against were evenly balanced.

The board's responsibility was to implement the parole scheme on the basis of the criteria of the Home Secretary in 1975, and prison overcrowding was not one of those conditions.

TB tests for pupils

Hundreds of pupils at the Royal School, Wolverhampton, are to be screened for tuberculosis because a sixth-form girl boarder from Hongkong has contracted the disease. A further hundred at Tettenhall College, where the girl studied last year, are also to have medical tests.

Murder charge

A boy aged 11 was charged at Birmingham juvenile court yesterday with murdering a six-month old girl at his parents' home in Sparkbrook, Birmingham. He was remanded in the care of the local authority until next Wednesday.

Council aids buses

Essex County Council is to give £2.2m this year to six bus operators in the county to help them to provide 130 uneconomical but essential services. Five small rural companies will receive £40,000.

Penlee inquest date

The inquest on the eight Penlee lifeboatmen and the eight people from the coaster Union Star who died in the Christmas disaster off Cornwall will open at Penzance on March 18.

A cooperative for jobs

From Ronald Kershaw, Hartlepool

An experiment financed by the EEC Social Fund, the Church of England, the Manpower Services Commission and Cleveland County Council is to start at Hartlepool in April. Its aim is to promote the cooperative form of organization in industry and provide jobs for young people.

On the initiative of the government-backed Cooperative Development Agency, about £133,425 has been obtained from the EEC fund for the first year; the Hartlepool Deanery of the church will contribute £5,000 towards capital equipment and the council has pledged £35,000. Another £129,000 will come from the MSC.

Hartlepool was selected for the experiment because steelworks have closed and unemployment tops 20 per cent.

The idea is that products, processors and schemes worthy of commercial exploitation will be made available to the Cooperative Enterprise Centre, as it will be called. Projects being considered are bead-blasting, motor cycle parts, manufacturing guitar cases and other musical accessories.



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NEWS IN SUMMARY

Von Bulow judge warns press

Newport, Rhode Island — The judge in the attempted murder trial of Claus von Bulow threatened to exclude some reporters after they tried to learn the details of a private conference between him and the jury.

Judge Thomas H. Needham had apparently questioned jurors on whether they had read a newspaper report that identified a potential witness as a prostitute. He had agreed to a defence request that there had been no reference to the woman's profession if she was called to the stand because it could prejudice the jury toward her testimony.

Mr Von Bulow, aged 55, is charged with trying to murder Mrs Martha "Sunny" von Bulow, who is in an irreversible coma, with insulin injections during 1979 and 1980.

Delhi jet deal with French

Paris.—The Defense Ministry has confirmed that France and India have signed a memorandum of understanding on the sale of 40 Mirage 2000 aircraft to India. The first of which would be delivered in 1984. Negotiations had been in progress for two years.

In the second phase of the deal parts of another 50 aircraft will be manufactured in India; in the final phase total manufacture will be local.

Gaddafi and Assad to meet

Damascus.—President Assad of Syria and Colonel Gaddafi of Libya, leading figures in the hardline Arab Steadfastness and Confrontation Front, will meet soon, the official Syrian press reported.

The newspapers said President Assad had received telephone calls from both Colonel Gaddafi and President Ali Nassir Muhammad of South Yemen expressing solidarity with Syria.

King's uncle 'unreliable'

Brussels.—A Brussels court criticized Prince Charles of Belgium, the 76-year-old uncle of King Baudouin as unreliable, forgetful, extravagant and lavish but willing to disinherit his family.

Acquitting the prince's lawyer and his wife, who were accused of swindling him, the court ordered the Prince to pay costs.

Runcie visit

The Archbishop of Canterbury, Dr Robert Runcie, will pay his first visit as leader of the Anglican Communion to the World Council of Churches headquarters in Geneva later this month. He will spend three days in discussion with council staff and leaders.

'Carpenter' held

Rome.—Police have arrested an alleged Red Brigades "Carpenter" who they believe made the truck used to carry off the kidnapped American Brigadier General James Dozier from his Verona apartment on December 17.

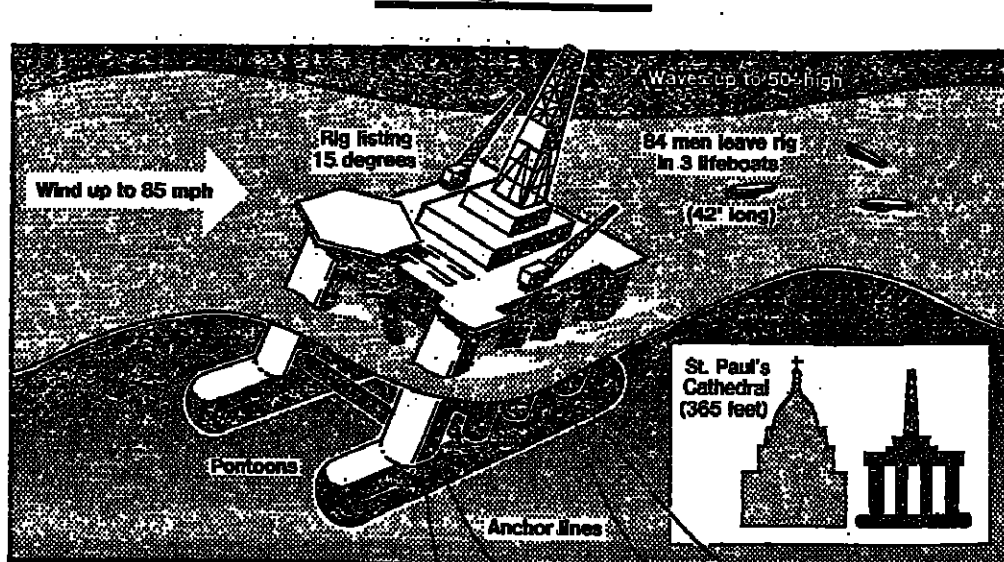
National strike call by French customs men

From Charles Hargrove, Paris, Feb 16

The work-to-rule by French customs officials, which began three weeks ago in protest against the application of the 39-hour week and the suppression of "perks" and special privileges, has taken a turn for the worse after the breakdown of negotiations yesterday at the Finance Ministry with union representatives.

The communist-dominated CGT branch of customs officials has called for a nation-wide stoppage today and tomorrow, and the leftist CFDT for a one-day stoppage tomorrow. The tension has been especially marked at Hendaye on the Franco-Spanish frontier, where nearly 1,000 lorries, many loaded with perishable goods, were blocked this morning by the strike. The drivers had them-

Oil rig disaster



Hazards for crews in angry seas

By Our Foreign Staff

Claims by former crew members of the Ocean Ranger oil rig which sank off Newfoundland on Monday that safety drills were "totally inadequate" and equipment inadequate has once again raised serious doubts about the safety of such structures.

These inadequacies have led to the gruesome nickname given to the rig by workers on it the "Ocean Danger". But British officials responsible for safety on oil rigs in the North Sea maintain that British installations are generally well managed and safety practices are respected by the oil companies which operate them.

In the 20 years since oil exploration began, a weight of law has been developed in Britain to ensure that offshore structures are properly equipped with survival capsules and that personnel are trained how to use them. Under these regulations, an oil rig or platform must be equipped with enough totally enclosed lifeboats with seats for 50 per cent more crew members than there are on board; they must be equipped with a combination of lifeboats and inflatable life rafts with twice as many places as there are members of the crew.

Usually the lifeboats are designed to seat between 14 and 50 men and are meant to survive for up to 30 minutes in a sea blazing with flames. They are entirely self-righting — provided that all passengers are strapped into their seats — they also have their own power, medical and emergency supplies and are fitted with an internal supply of compressed air.

In addition to life-craft, sufficient life jackets have to be provided on board all rigs to cover 150 per cent of the crew. Every crewmember has his own flotation life-jacket in his living quarters and the remainder are placed round the rig.

However, there is no requirement that survival suits have to be generally worn or provided. Suits of the kind used to keep a man dry and reasonably warm, even when he is thrown into the North Sea, are provided only to passengers on most helicopter flights between offshore structures and the mainland.

Experts of the British National Oil Corporation say the safety suits available to the majority of the oil companies operating in the North Sea are the best that are available — and no second-generation suits that

Latest generation of British survival suits. The material resists extreme heat, cold and fire. It is made by G. R. Woodford Ltd of Norwich and is called the FAK EVAC. It costs £35 and is just starting duty in the North Sea.

have been tested have been shown to be better.

One expert said it was asking the "£64,000 question" to ask how lost someone would survive. It depended on the circumstances at the time.

Mr Geoffrey Woodford, whose Norwich company produces a new survival suit, agreed: "The only way to a measurement is to have an individual prepared for aviation tests until he is clinically dead."

He said there was no international or United Kingdom mandatory specification for a safety suit, and added: "No one at the Department of Trade has the common sense to put their signature on a specification."

Only the Norwegians and the United States Coast Guard had their own specifications, Mr Woodford said.

In the North Sea the mean temperature was "C". "The criterion is eight hours survival at zero and two suits lie at — the Helly Henson of Norway and the Beaufort. They are designed for aviation from platform to base but it is impossible for a man to work inside them."

"A number of dry suits are produced for survival in cold water but this is a highly political and highly profit-motivated area. Beyond eight

MPs query rig's seaworthiness

From John Best, Ottawa, Feb 16

Some former crew members, developed a 15-degree list. Newspapers, radio and television here have been full of reports about inadequate safety procedures on the rig and about drills which one former crew member described as a farce.

Mr James McGrath, a Newfoundland Conservative MP, told journalists that there was a ballast problem on the Ocean Ranger 15 days before it set off on an alarm and activated an abandon-ship order — which, however, was not carried out.

He also referred to two inspections which had been made into the matter of the ballast. He said that he found it incredible that Mr Marc Lalonde, the Canadian Energy Minister, would not have seen the inspection reports. Minutes earlier, in the Commons, Mr Lalonde had acknowledged that an

inspection was carried out "in the last two weeks" but he had not seen a report. The Opposition said it would continue to press for the release of the report and that it would help to explain the origins of yesterday's disaster, 175 nautical miles east of St John's.

Mr Patrick Nowlan, a Conservative from Nova Scotia, asked in the Commons why a proposal to establish a safety station on a rocky outcrop between Newfoundland and the oil field had been rejected by the Liberal Government. Mr Jean-Luc Pepin, Transport Minister, promised to look into the matter.

The Opposition also revived the long-standing issue about whether Canada had enough rescue aircraft stationed at Gander, Newfoundland, and one solitary civilian. Behind the judges' bench is a large brocade tapestry, interlaced with silver thread, bearing the emblem of the Supreme Council of Military Officers.

Officers taking the press round explained that to keep down the costs of such a big court martial, expected to last at least 30 to 35 days (Saturdays included), the chairs had been supplied from the Stock of the Ministry of Culture.

The journalists were taken in army buses, after surrendering identity cards or passports, six miles along a motorway south-west of Madrid to where the Army's geographical service is located on an encampment watched over by armed troops in turrets at regular intervals along long high walls.

Red brocade is everywhere between the corrugated iron roof and the brick walls, including on the chairs of the 17 military judges, all generals, and those of the 33 defendants, three of them generals, 29 other officers,

Weinberger fears fall of Salvador to Cuba

From Mohsin Ali, Washington, Feb 16

Mr Caspar Weinberger, the Defence Secretary, said today the United States could not afford to have El Salvador fall into the hands of Cuban and Soviet-backed leftists, but he did not discuss what action could be taken.

He said in a television interview that Mr Alexander Haig, the Secretary of State, had correctly stated the position by emphasizing that all Caribbean countries were confronted by a growing threat from Cuba and its new ally Nicaragua.

Mr Haig told the Senate Foreign Relations Committee recently that the United States was not alone in its support of the Salvadoran Government.

President Reagan is due to make a major policy speech — probably next week to the Organisation of American States (OAS) aimed at assisting countries facing severe economic problems in the Caribbean.

The assistance package would include trading opportunities, investment incentives and increased financial aid, and some proposals will soon be put to Congress.

American officials today could not say whether the President's speech, still in the drafting stage, would contain references to Cuban activities in the Caribbean and Central America.

Mr Haig in his Senate Foreign Relations Committee statement said that at a meeting of the OAS in St Lucia last December, 22 out of 29 nations voted in favour of the Salvadoran programme for elections, only three voted against.

He observed: "A collective response to the danger is emerging within Central America with the formation on January 19 of the Central American Democratic Community, Costa Rica, Honduras and El Salvador were joined on January 29 by Venezuela, Colombia and the United States to help carry through the democratic transformation of El Salvador."

Cooperating "with our friends and allies in the region, we will do whatever is necessary to contain the threat."

But Mr Haig has repeatedly pointed out that there are no current plans for the use of American troops in El Salvador.

San Salvador: President Duarte has called on all Salvadorans to vote in next month's elections as the only peaceful and democratic way out of the country's present crisis (Reuters reports).

His plea was contained in a statement to reporters after a cabinet meeting at which the social, political, economic and military situation was discussed.

President Duarte said: "Those who believe they will accomplish their aims by weakening the Government's position, carrying on slanderous campaigns... have the opportunity to reach their goals democratically in the elections set for March 28."

The civilian-military junta headed by President Duarte has said that the elections for a constituent assembly will place "even if the guerrillas blow up a thousand bombs" on polling day to keep people from voting.

A hospital administrator and a nurse were murdered today at Chalatenango, in northern El Salvador when two men with a machine gun shot at the car in which the two were driving to work (AFP reports).

London: Up to 30,000 refugees from El Salvador are in "extreme peril" as atrocities committed by army squads continue to escalate, according to a British Council of Churches delegation which has just returned from the Honduras and El Salvador border (the Press Association reports).

The delegation, which included Lord Avebury, chairman of the Government to refuse to send observers to the forthcoming elections.

Killer squad strikes

Rio de Janeiro.—Twelve men, most of them with criminal records, were killed here over the weekend, apparently by the right-wing "Squadron of death", police said.

Red brocade at coup trial

From Richard Wigg, Madrid, Feb 16

A warehouse near Madrid where the Spanish Army usually keeps paper for making maps will be the site of the court martial of officers involved in last year's attempted coup, which opens on Friday, four days before the first anniversary of the attempt which shook the country's new democracy.

The warehouse has been converted and what a party of 150 Spanish and foreign journalists and photographers, who were shown over today, found were the solemn trappings of Spanish military justice.

Red brocade is everywhere between the corrugated iron roof and the brick walls, including on the chairs of the 17 military judges, all generals, and those of the 33 defendants, three of them generals, 29 other officers,

All the defendants, except one, have for the past four days been living not 100 yards from the courtroom in the officers' residence where they will stay throughout the trial.

The defendants will be seated according to rank and length of service and protected by a 2 inch thick bullet proof glass screen at their backs immediately in front of the 66 places for Spanish and foreign journalists.

Behind them come more than 300 places for relatives of the accused men (each is allowed up to six), and observers from military regions. Space is left for about 30 members of the public, to be accommodated in the order in which they line up before the geographical unit's main entrance.



Tight moment for the Pope as he dresses for Mass in Lagos Cathedral

Poles sing to Pope in Lagos

Lagos, Feb 16.—The Pope listened today to members of Solidarity, the suppressed Polish trade union, as they sang the Polish hymn "God save Poland" during an audience in the garden of the papal Embassy in Nigeria.

He received some 300 members of the Polish community in Lagos, including Solidarity members among the experts working there, as his five-day visit to Nigeria drew to a close.

Wearing Solidarity badges, they handed out petitions and sang the hymn with the line, now banned, "God give us back our free country". The Pope listened with a faint smile, while Dr Witold Jurasz, the Polish Ambassador to Nigeria, stood in silence.

The Pontiff spoke to his companions of martial law in Poland, and said that the rights of all nations should be respected. In Poland, the

affairs of the state and the Church had been closely intertwined for many centuries and "the last few years have been particularly difficult", he said.

"Not in vain have the Poles fought for their liberty... All this is part of the spiritual heritage of the Pope in Poland and through this patrimony it is easy for me to find a particular solidarity with nations and men that suffer, who are discriminated against and deprived of freedom and national sovereignty."

There were no Polish banners, posters or flags to be seen and members of the Polish community said it had been made clear that no demonstrations in favour of Solidarity would be tolerated.

While the Poles gathered outside the embassy, agents in Polish were distributed explaining the Polish Government's view

In an address, to diplomats, the Pope said that human beings should express freedom "in the responsible determination of their action and in that self-mastery which excludes external constraint."

Ankara: Turkey will demand the extradition from West Germany of Mr Omer Ay, a suspected right-wing terrorist believed to be associated with Mr Mehmet Ali Agca who was jailed for the shooting of the Pope in Rome last May, Turkish Justice Ministry officials said today.

Mr Ay was arrested in a red-light district of Hamburg on Sunday. The Turkish authorities said they had issued an international arrest warrant for Mr Ay who is being sought of charges of inciting to murder in two separate cases of terrorist killings.—AP

US tries to avoid rift with Israel

Washington, Feb 16.—The White House today attempted to avoid a fresh rift with Israel by issuing a denial that it had changed its policy towards Israel and saying there were no plans to sell sophisticated weapons to Jordan.

The assurances were given after Mr Menachem Begin, the Israeli Prime Minister, had strongly criticized United States policy when he spoke in a Knesset debate. He was reported to have written a personal message of protest to Mr Reagan.

Mr Begin won support from all the main parties in the Knesset when he condemned remarks made by Mr Caspar Weinberger, the American Defence Secretary, during his Middle East visit, through which they favoured the sale of missiles and aircraft to Jordan and that the United States was strengthening its ties with Arab countries at the expense of Israel.

In his letter to Mr Reagan, he gave a warning that selling F16 jets and Hawk missiles to Jordan would pose "one of the gravest potential dangers we have faced ever since the renewal of our statehood."

He asked: "If those sophisticated weapons are to be supplied to Jordan, just as similar ones have already been committed to Saudi Arabia, what will become of the qualitative and quantitative edge you were so kind to promise me?"

Mr Larry Speakes, the White House spokesman, issued the assurances yesterday. He said: "There is no change in policy towards Israel. There is no proposal or plan for us to sell weapons to Jordan."

He said a policy statement by Mr Reagan denying a shift in attitude towards Israel would be issued by the White House this afternoon.

Other officials said Mr Reagan had drafted a letter assuring Mr Begin that United States relations with Israel would remain close despite his Administration's criticisms of certain aspects of Israeli actions.

A new hard-line Israeli envoy, Mr Moshe Arens, officially began his duties in Washington today. Mr Reagan called Mr Arens, a member of the Knesset for eight years, to the White House today to receive his credentials as Ambassador and review United States-Israeli relations as well as the peace process in the Middle East.

Mr Weinberger today described Mr Begin's criticism as "pre-emptive reaction".

Revolt in Hama Syrian press denounces Brotherhood

From Robert Fisk, Damascus, Feb 16

If you believe what Syria's government-controlled press is saying about the country's national sentiments then the Muslim Brotherhood, the organization behind the revolt in the central Syrian city of Hama — must be even more unpopular than the Israelis.

Two Damascus newspapers, al-Baath and Tizreen, filled many of their columns today with allegedly spontaneous letters of support for the Government from towns and villages around Hama, while the Syria Times buoyantly announced that the people of the northern city of Aleppo "denounced the crimes committed by the Muslim Brotherhood in Hama through which they added another black page to their record of conspiracy against national unity and the achievements of Syria's masses."

Whether such statements are published for the benefit of Syria's far-from-gullible public or to boost the self-confidence of the authorities is a matter of some debate. Given the fact that the fighting in Hama has now lasted 15 days, the rebels in the city seem to be putting up some remarkable resistance despite the supposed hostility expressed for them by Syria's law-abiding masses.

Much more to the point, the Syrian Government is anxious to smother a spate of alarming rumours circulating in Damascus about the violence in Hama and about the

cruel methods which, it is claimed, are being used to suppress it.

One such report says seven women left Hama last night after their husbands had been taken from their homes and machine-gunned to death in front of them by Syrian special forces troops. Another rumour suggests that Government forces have killed several doctors in the city because the medical profession was believed to be involved with the Muslim Brotherhood.

There are stories of killings and of the systematic destruction of entire streets, with the inhabitants still inside the houses.

Since Hama is still sealed off by the Syrian Army it is, of course, impossible to confirm or deny these disturbing reports.

But if this violence spreads to Damascus, how do I know that I will not be dragged into the street and shot by soldiers?

The Government, meanwhile, continues to blame the Hama uprising, and today added Jordan and Iraq to those responsible. The newspaper al-Thawra insisted that America was suffering from illusions and has again suffered defeat at the hands of our people.

Benn attacks Reagan

By Anthony Bevin, Political Correspondent

Mr Wedgwood Benn last night accused the Reagan Administration of dragging the British economy into a deeper recession than that experienced during the 1930s.

In a lecture on democratic socialism to students at the University of Maryland, he said that there were growing signs that the peoples of Europe viewed the crude capitalism of the west with as much revulsion as the state communism of the East.

He forecast that the 1980s would see movements for national independence, political democracy, peace and development grow in strength. They would also "challenge the claims of the two superpowers to divide the world between their spheres of interest."

But Mr Benn, who will be holding a Washington press conference today, before returning to London, concen-

trated his attack on the policies being pursued by the American government.

He said: "Our experience of the Thatcher Government has shown that the monetarist and militarist policies that she has pursued have done immense damage to our nation at home and abroad."

"Similarly, the policies of the Reagan Administration are equally damaging to American interests, not only at home but also in Europe, where America is losing support."

Mr Benn said: At the same time as the USA is seen to support so many rotten military dictatorships all over the world, as in El Salvador, Chile and Turkey, it demands human rights, free trade unionism and democratic elections in Poland, which its own policies are denying to millions of others in areas where America has great influence."

NEWS IN SUMMARY

Party boycotts Malta ceremony

Valletta — Malta's fifth parliament since independence was inaugurated in the absence of the Nationalist Party members. Although it polled most votes in last December's general election, majority of seats were taken by Mr Dom Mintoff's Malta Labour Party (Austin Sammut writes).

Dr Eddie Fenech Adami, the leader, read a statement in which Nationalist party members said that they would not attend parliamentary sittings until the present constitutional crisis had ended. It has accused Mr Mintoff's Government of engineering a situation where the party with most votes would remain in opposition.

'Flying Feather' is caught

Hongkong — Left-wing newspapers here have acclaimed the capture of China's most wanted criminal, Li Yu-ching, known as "Flying Feather" because of his skilful evasion of arrest.

He has been hunted over the past 12 years accused of 300 crimes, including rape, robbery, assault and hoodlignism—but not murder. When he was at last arrested, by three militiamen and eight cadres, the capture was celebrated with fireworks at a public gathering near the airport and his captors received bicycles and wrist watches.

Party members' £40,000 fraud

Peking — A fraud covering seven Chinese provinces and involving about £40,000 has been discovered by the Shanxi authorities, a newspaper in the province said.

Helped by party members, a gang led by the purchasing agent of a tool factory and trading warehouse speculated in goods under state control for three years before being caught.

Rocket crashes

Kuopio, Finland — A Soviet rocket crashed in the Karelia region of the western Soviet Union minutes after being launched from a military base in the Kola Peninsula, witnesses said here.

Ex-Civil Guard shot

Madrid — A retired Civil Guard, aged 60, was shot dead while strolling with two friends in San Sebastian. One of his friends was wounded.

Suzman says police beat cell death detainee

From Michael Hornsby, Johannesburg, Feb 16

The South African Parliament in Cape Town today heard allegations that Dr Neil Aggett, the young white trade union leader found hanged in his prison cell, was stripped naked, beaten and otherwise mistreated while being interrogated by security police.

The accusation was made during a debate on security legislation by Mrs Helen Suzman, the veteran member of the opposition Progressive Federal Party. She said her evidence came from another detainee, whom she declined to name, who had witnessed the alleged assault on Dr Aggett by three policemen.

There was uproar in the House of Assembly as Mr Louis le Grange, the Minister of Police, indignantly rejected what he called Mrs Suzman's "absolutely untrue, low, common and scandalous allegation". He had earlier appealed to the Speaker to order all references to Dr Aggett struck from the record as the matter was still sub judice.

Quoting from what purported to be a letter from the anonymous witness, Mrs Suzman said that the naked Dr Aggett had been forced to do a substantial number of press-ups and had been "hit either with a belt or a rolled-up newspaper while doing them".

He had then allegedly been made to get up and run on the spot, every now and then being forced to lift his legs up high. "All the while he was being interrogated. The hitting with the newspaper went on all the time, especially if his arms sagged", Mrs Suzman said, reading from the letter. "He was sweating profusely, and when once he nearly fell over a chair with exhaustion, he was further harassed."

Mr le Grange said that Mrs Suzman's allegations "definitely cannot be true" otherwise Dr Aggett's body would have exhibited injuries other than those to his neck. This was the first indirect disclosure by a government official of the results of the post mortem examination on Dr Aggett, who died on February 5.

From Mrs Suzman's description of it, however, the mistreatment of Dr Aggett would not necessarily have left any visible marks on his body, and need not, therefore, be inconsistent with a post mortem finding of the kind indicated by Mr le Grange.

Mrs Suzman, who is the

chief opposition spokesman on civil liberties, had earlier declared that whatever the post mortem and inquest findings turned out to be "it was Section 6 of the Terrorism Act which killed Neil Aggett".

Section 6 allows the security police to hold suspects indefinitely without trial and in solitary confinement for the purpose of interrogation. Dr Aggett, who was arrested last year with a score or more of other trade union and student activists, had been in detention for 70 days.

A woman detained under the security laws since January 5 was admitted to hospital yesterday with a respiratory complaint, her daughter said in Johannesburg today (Reuters reports). Mrs Esther Levitan, a grandmother in her late 50s, is at least the third woman detainee in South Africa to be admitted to hospital since Dr Aggett's death.

Her daughter, Mrs Lesley Isaacson, arrived last week from London and saw her mother on Friday. Mrs Levitan, a member of the anti-apartheid Black Sash organization, was detained only three days after returning to South Africa from a stay with her daughter in Britain.

GOVERNOR FORCED TO RESIGN

From Kuldip Nayyar, Delhi, Feb 16

Mr T Anjiah, the Andhra Pradesh Chief Minister, today submitted his resignation on the advice of Mrs Indira Gandhi, the Prime Minister.

The state is run by the Congress (I) Party and, therefore, there was no question of Mrs Gandhi's directive being flouted. But what has raised eyebrows is that he resigned after a display of annoyance by Mr Rajiv Gandhi, Mrs Gandhi's son. Mr Gandhi was recently in Andhra Pradesh on a "build-up" tour and grew angry over the "ostentatious welcome" which the state had arranged.

However, Mr Anjiah believes that he has been asked to resign not because Mr Gandhi is annoyed with him but because Mrs Gandhi thinks that he is not the "right person" to lead the Congress (I) to victory in the forthcoming elections for the Andhra Assembly.

Namibia alliance split leaves Pretoria adrift

From Our Own Correspondent, Johannesburg, Feb 16

The resignation of Mr Peter Kalangua, the black president of the multi-ethnic Democratic Turnhalle Alliance, and the subsequent departure of his own Ovambo-based party will make it more difficult in the short term for the South African Government to sell the idea of Namibian independence to right-wing white opinion here, according to Western diplomats.

The alliance was created by the South Africans during the 1970s and, before Mr Kalangua's resignation, consisted of 11 different parties each representing an ethnic group (including whites) among Namibia's population of about one million. The whites account for about 11 per cent of the total.

The loss of Mr Kalangua and his party is a devastating blow because the Ovambo-speaking group of tribes in the north constitute nearly half the population and are also the main source of support of Swapo, the guer-



Northern visitor: Mrs Vigdis Finnbogadóttir, President of Iceland, who arrived in Britain yesterday for an official visit which ends on Friday

SHORT AND MESTEL IN CHESS LEAD

By Harry Golombek, Chess Correspondent

Quite undeterred at losing to Ljotterink in the previous round of the West European zonal chess tournament at Marbella (Spain), Nigel Short (England) gained an easy victory over Langeweg in round 7 on Monday. He now leads in Group A with 5½ points out of seven.

Jonathan Mestel (England) enjoys a comfortable lead in Group B with 5½ points out of 6 ahead of Hebden (England).

Other results in this group: Nunn (England) 1, Doyle (Ireland) 0, Serel (Ireland) 0, Ljotterink (the Netherlands) 0, Fernandez (Spain) 0, Lopez (Spain) 0, Gomer (Andorra) 0, Van der Wiel (the Netherlands) 1, McNaab (Scotland) had the bye.

Opposition parties merge in Brazil

From Patrick Knight, Sao Paulo, Feb 16

Brazil's two biggest opposition parties have voted overwhelmingly to merge in an attempt to defeat Government moves to ensure their defeat in Congressional elections to be held in November this year.

However, the merger of the centrist Popular Party and the Brazilian Democratic Party has still to be approved by the country's electoral tribunal, and the military-led Government may intervene to try to frustrate the merger.

The amalgamation should guarantee the new grouping of governorships of most of the major states, and perhaps 70 per cent of the popular vote, in the elections for congress, which will choose President Figueiredo's successor in 1984.

The Government decided last November to institute measures which would oblige voters to select candidates from one party in any area, a move which would have favoured the well-organized Government party, the Social Democratic Party.

Voters have recently generally chosen Government party candidates for local authority positions, largely because Government party men have been in a position to deliver the goods. In contrast, the voters have increasingly tended to vote for the opposition for central government positions. Linking the vote was supposed to persuade electors to give priority to the local issues which affect them most, and consequently tip the balance at central level too.

The Government has no intention of allowing the opposition to be victorious. Its view of democracy has been clearly defined as working gradually towards wider participation in the electoral process, but without involving an actual transfer of power.

It is widely believed that more measures will be announced by the government to divide the opposition in the next few weeks, as well as regulations regarding the use of television by the various parties.

The fundamental question is whether the regime which has ruled Brazil since 1964 still has the strength and unity to hold together its various backers, and push through new measures. Those which favour the Government in one state often tend to have the opposite effect elsewhere.

Chemical war gibe draws Soviet anger

From Harry Debellus, Madrid, Feb 16

American accusations that the Soviet Union mass-produces and uses chemical and biological weapons brought an irate reply from Mr Leonid Ilyichev, the Soviet Deputy Foreign Minister, at an informal, closed-door meeting of heads of delegation at the European Security Conference here today.

Mr Max Kampelman, the chief United States delegate, brought up the subject in response to a Soviet remark, at last Tuesday's plenary session, that the United States was engaged in the preparation of chemical weapons.

The American expressed surprise, saying: "I would have thought this to be a subject that the Soviet Union would want to keep away from, since they have made every effort to hide from the world their own priority attention to this form of brutality". He proceeded to make a series of accusations regarding the alleged Soviet use of chemical and bacteriological weapons in Laos, Kampuchea, Afghanistan and Yemen.

Mr Ilyichev reacted in a tone of "straight vituperation" according to Western diplomats. Another said he characterized Mr

Kampelman's speech as "full of lies and falsehood" and "provocative".

Mr Kampelman charged that Soviet activities in the field of chemical and biological warfare represented violations of the Geneva Convention of 1925, the 1972 Biological Weapons Convention, and Article X of the Helsinki Final Act of 1975.

He also argued that the United States had ceased the production of all chemical weapons in 1959 unilaterally, and thereafter had tried unsuccessfully to reach an agreement with the Soviet Union on a comprehensive and verifiable ban on all chemical weapons.

"It is unmistakable that innocent people in Laos, Kampuchea and Afghanistan have been victims of a deadly poison rain" poured down upon them by airplanes carrying, among other lethal agents, potent mycotoxins of the trichothecene group. Dacta, often with victims choking on their own blood, occurs within an hour after exposure", he said.

It is thus the reluctant policy of the United States to build and maintain a chemical munition stockpile to deny a significant military advantage to any who would seek to initiate their use.

Polish priests accused of being gossipmongers

Warsaw, Feb 16. — The official Polish press today accused some priests of abusing their right to visit internment camps as messengers or spreading sensational reports about their treatment.

The Communist Party newspaper *Trybuna Ludu* reported that up to January 26 representatives of the Polish Catholic Church, including Archbishop Józef Glemp, the primate, had made 76 visits to internment camps. Mass had been said on 237 occasions, and some 2,000 food parcels had been delivered.

The paper said that the authorities approved of these activities and had even allowed a convent to prepare special food for Adam Michnik, the interned dissident, who, it said, was suffering from a stomach disorder.

However, referring to "sensational" reports by Western radio stations, the paper said that there were indications that some of those allowed to come into contact with the internees "perceived their tasks and duties in a rather distorted way".

The PAP news agency quoted the paper as saying that "abusing the confidence of the authorities and church alike, a handful of people play the gossipmonger or the postman".

□ Vienna: A 21-year-old Polish worker was killed in an explosion that damaged a workers' hostel in the southwestern city of Wrocław yesterday. Polish radio reported. The explosion was caused by "manipulation of an unidentified explosive material", according to first reports monitored here.

The radio also reported that small private and cooperative exporters in Poland are receiving bank credits again. Many banking facilities were suspended when martial law was imposed.

□ Geneva: A world Council of Churches delegation just back from Poland said today that it believed Western economic sanctions were hurting the Polish people and asked for protests, particularly against food sanctions. — Reuters.

There is a rose in Spanish Harlem.



Drastic measures needed to save EEC, Thorn says

From George Clark, Strasbourg, Feb 16

If member states failed to take drastic economic measures, including wage controls, to stimulate industrial activity, "we may be faced with serious problems of social stability," Mr Gaston Thorn, president of the EEC commission, said yesterday at the European Parliament here.



Mr Thorn: he painted a depressing picture

Mr Thorn, in spite of claiming to be an optimist, presented a depressing picture of disintegration between the 10 member nations, the unremitting recession is strengthening the temptation to go it alone which will eventually lead to fragmentation of the internal market," he said while outlining the commission's programme for the year.

The Community is lurching from wine war to turkey fight, to budget disputes. Restructuring of the steel industry is being slowed down because no one will willingly accept redundancies in regions already hard hit by the economic crisis.

Threats to the ideal of a single market were coming from all sides. "The single market is a priceless, irreplaceable asset," Mr Thorn said. "If it were destroyed the Community could not survive."

The bones of contention might appear trivial, but they were symptomatic of the difficulties now facing the Community which would not be solved by increasing doses of nationalism, he pointed out.

Management of the milk sector, the part of agricultural structure and technical details of measures to help the United Kingdom.

In the circulated text of his speech, Mr Thorn also said: "My fear is that these issues have proved intractable because they are simply a front for our EEC governments' waning commitment to Europe."

This was immediately interpreted by observers here as a criticism of the British demands.

Mr Thorn conceded that Britain's budget problem had been the biggest obstacle to fruitful discussions on the Community's future. "We should clear about the deadlock," he said. "To begin with, the economic crisis leaves nothing to spare in national budgets and contributions to the Community budget are therefore viewed, rather than as a burden, as a luxury to be kept for more prosperous times."

There are also differences about the function of the EEC budget. It is not an equalization mechanism, designed to give back exactly what each has paid in, nor is it strictly comparable to a national budget.

"Our first task must be to resolve the United Kingdom problem, though this must not lead to the admission of the just return principle, which would mean an end to solidarity between the member states."

The difficulty, he said, was that if compensation to the United Kingdom was financed solely from the Community's own resources, "virtually all the available margin would be used up."

Like the European Parliament, the Commission had never taken the view that the Community's future could be dictated by the 1 per cent limit on the revenue from value added tax. To do so, would be to accept stagnation.

But to increase budget resources to meet the British demand would mean persuading member states, national parliaments and public opinion that the Community had something to offer that was worth a further transfer of resources from the national to the Community budget.

"The Community is in danger," Mr Thorn said. "Within its frontiers, cohesion is compromised by the economic crisis which is rousing the old demons of protectionism, the illusion that salvation lies in going it alone."

"Outside, the Community is having to contend with the aggressive behaviour of its trading partners just when it should be working for the survival of traditional industries and promoting the rise of those which hold the key to industrial development in the future."

On the need for investment to create new opportunities for employment, Mr Thorn said it was, above all, a matter for private companies. "In most member states, rates of profitability are not high enough to provide the necessary incentive," he said.

Mrs Barbara Castle, leader of the Labour MEPs, later attacked this statement as being typical of the right-wing policies that emanated from the EEC Commission. They were based on the encouragement of the private sector at the expense of the living standards of working people.

Mr Thorn asked for a strengthening of the European Monetary System as an act of solidarity and discipline.

Sir Henry Plumb, leader of the Conservative group of MEPs, immediately demanded action by the British Government.

"Continually we hear ministers saying that we shall join the time the time is ripe," he said. "But when the pound is strong, it is not the right time. When it weakens, the time is not ripe. Therefore now is the time when I think we ought to be in there."

Farm ministers prepare for prices marathon

From Ian Murray, Brussels, Feb 16

The European Community's agricultural ministers prepared for a marathon price-fixing session here today, when they canceled their next meeting and arranged it to run parallel with the European summit meeting at the end of next month.

This means that the council has faced up to the reality that the price fixing is inextricably linked with negotiations about Britain's budget contribution to the EEC.

Mr Peter Walker, Minister of Agriculture, made it clear yesterday that he would oppose proposals for a 9 per cent increase in farm prices, and he made his point with such vehemence that none of his colleagues had any illusions that Britain would negotiate the two issues separately.

The new Agricultural Council dates are March 29-31, which means that the ministers will be meeting at the same time as the heads of government making it possible for the summit to monitor the concessions and progress being made.

Blocking agricultural prices is Britain's most powerful counter to obtain a satisfactory budget deal. Parallel summit meetings were held in Luxembourg in 1980, shortly before Britain won important budgetary concessions from its partners.

At today's meeting Mr Walker returned to the attack on the way the common agricultural policy was working with a vigorous complaint about the manner in which France is seeking to pay national aids.

French plans to pay special subsidies to its farmers are a "ridiculous perversion of the whole trading position" inside the EEC, Mr Walker told his European colleagues.

Mr Walker said that he was alarmed by the fact that French farmers had been advised to apply for "a remarkable range" of help by March. The danger, he said, was that this would mean a repeat of last year's experience, when France paid out to its farmers before the Commission had time to rule whether the subsidies were legal under Community law.

A thousand firemen were fighting to save the small townships of Kempton and Dysart from a fire along a six-mile front. There is no prospect of an end to the heat, low humidity and strong winds which have turned Tasmania into a tinder box. — Reuters.

Hobart, Feb 16. — The Tasmanian Government today declared a special emergency because of bush fires. At least 5,000 firefighters were trying to put out blazes all over the island.

Registered unemployment in Tasmania, according to a report recently prepared by the city's planning department will be 19.5 per cent in

Four cities, four crises • The first in a major Times series

Last summer's riots in Brixton, Moss Side and Toxteth brought new fears into city streets — and as summer 1982 approaches few are confident that they will not recur. Inner city riots, however, are just one ugly tip of Britain's urban crisis. As part of the debate on the wider problem The Times has chosen four places that sum up the special problems of our cities as a whole — unemployment, bad housing, racial tensions and one-party government.

Consider any list of British towns and cities: London, Plymouth, Southampton, Swansea, Solihull, Poole, Coventry, East Kilbride, Doncaster, Rochdale, Wedgates, West Bromwich, Manchester, Dundee, Glasgow. Urban Britain is diverse. There are good and prosperous cities as well as those in decline.

This list is based on a scheme put together two years ago by Professor David Donnison. Each place represents a category: regional service centres (Plymouth for example); residential suburbs (Solihull); engineering towns such as Doncaster and inner conurbations such as Manchester.

Donnison was searching for the formula that makes the good city — where people have jobs, skills, where households own cars and all the houses mod. cons.

The Times has chosen Coventry and Swansea which are, or rather were, relatively good cities; Glasgow and Manchester have obvious problems. None of these has uniform characteristics.

For example, there are concentrations of vulnerable old people in the otherwise advantaged recent towns such as Southport or Bournemouth. London is always a problem to classify; its proportion of non-whites is the highest of any urban area but as a whole it appears favoured in terms of the skills of its working population and the relative absence of social disruption among its families.

But any analysis of British urban conditions shows up Donnison's problem. It is easier to define the bad than the good city. A small number of fairly easily identifiable cities — inner conurbations — are under stress; their population is disproportionately vulnerable to poverty, joblessness and poor conditions of life. They are central



Scotland, Glasgow city and the conurbation from Greenock to Coatbridge (with the city of Dundee sharing many characteristics of the area); the inner areas of Birkenhead, Gateshead, South Shields, Sunderland, Bootle, Liverpool, Manchester, Salford, Newcastle, Nottingham, Birmingham, Hull and Leeds.

It was the discovery during the 1970s of the multiple incidence of social stresses in the inner city areas that spurred a great boom in public policy — a boom that with a pause has now, after the riots,

resumed. Its beginnings should, perhaps, go back to Sir Harold Wilson's Urban Programme of 1968. The Heath Government, notably through Mr Peter Walker, began both a series of special grants and large-scale studies of the inner areas.

Then came Mr Peter Shore, Labour's Secretary of State for the Environment. In a speech at Manchester in September, 1976, he made a classic statement of the case for special urban policies. Mr Shore said: "Twentieth century civilization has been based upon cities and if, in the process of change, the inner areas are simply allowed to decay — and their inhabitants to languish — the country as a whole will be the poorer."

The doctrine is not, however, self-evident. Many people have looked at the scale of expenditure necessary to "solve" the problem of the inner cities and concluded that the task is impossible and that social and economic change should be allowed to take their course, with the Government cushioning those people most directly affected.

The Conservatives have especially to live with the Wodges factor. Wodgette, of course, belongs to fiction or, more precisely put, to the Tory historical imagination, the vestigial fear of the possessing classes of a revolt by the poor and down-trodden.

Wodgette was a joke in Benjamin Disraeli's novel Sybil. But under the joke — about the brutalized inhabitants of an industrial town rising up and sacking an aristocratic mansion — lay a contemporary fear. The fear has not entirely gone. For many southern Conservatives, Toxteth is just as improbable and foreign as Wodgette was to Disraeli's reader.

An obvious reaction to Toxteth and Brixton was a law and order response: sending in the modern equivalent of the dragons. Instead the events were used, thanks in part to Mr Heseltine's sense of political timing, to revive the urban policy. Within major spending constraints, this is what Mr Heseltine has done: use all the administrative shots in the locker to do something, or be seen to be doing something for the cities.

David Walker

The fall of the New Jerusalem

1/MANCHESTER • UNEMPLOYMENT



Brian Harris

Fading future of the man from Moss Side

Last October Charlie Jackson, aged 53, was made redundant by Phillips, the Manchester clothing machine manufacturers, and has been unemployed ever since. For his eight years' service he received £1,200. "I still feel very bitter, the company just wanted to get rid of the old

uns." He now lives on £69.92 unemployment benefit every two weeks and draws from his redundancy money every other week to get by. His chances of finding a job are slim. When he last applied for work at Kipling Cakes there were 500 competitors for the two vacancies.

1985: total unemployment 23.6 per cent; male unemployment 29.5 per cent.

High as these projections sound, the report gives warning that "the most recent forecasts suggest that even these figures might be optimistic."

Only here or there a gaunt Gothic church, a three-decker school or an ornate Victorian corner pub pokes its head above the curving patterns of squat, well-intentioned, low-density housing with its walled back gardens and broad open spaces.

Yet this precise spot, where only a few years ago a proud planner might well have conducted a visiting commission to show off what Britain was doing to heal the scars of the Industrial Revolution, is now the storm centre of wild rioting.

It was on this corner, the Moss Side tribunal inquiry was told, that a police officer had to dive through a closed window to escape the mob. It was in the same green, the tribunal was also told, that hell's breaking loose, the police are going mad, they are banging into people with their sticks. Not far away at the height of the trouble, a crowd of several hundred, both black and white, and their best to sack the local police station.

Behind the Moss Side problem, there is a Manchester problem. What is at stake is the future of one of the most ancient cities in Britain. Mass unemployment is the symptom. The nature of the disease is that the present recession has halted the growth of service industry which was all Manchester longed to compensate for its declining industry.

It is quite true that rates of unemployment in Moss Side are unbearably high. They are highest of all, too, for blacks and for young people — the two groups who provided most of the rioters.

Yet even so, unemployment in Moss Side is only comparatively worse than in other parts of Greater Manchester. And the general level of unemployment in the whole city, which for men is expected to remain close to 30 per cent for the rest of the decade, is in turn only a symptom of this deeper crisis: the stagnation in the economy of what until recently was one of the most prosperous cities in the country. In Newton Heath, for example, unemployment is now about 19 per cent whereas for the whole of the city of Manchester it is now 17 per cent.

Registered unemployment in Manchester, according to a report recently prepared by the city's planning department will be 19.5 per cent in

the north to the pastoral Cheshire country near Knutsford, which was Mrs Gaskell's Cranford.

The city itself is a banana-shaped wedge running down through the middle of this great urban complex, between Salford on the west and Oldham on the east. It includes desolate slum clearances, the Victorian dignity, and the bustle and excitement of the city centre, the vast university complex in Rusholme; decaying Victorian suburbs like Fallowfield; prosperous 1930s middle-class housing in the Disbury; the sprawling post-war housing estates of Wythenshawe; and a transatlantic world of motorways and modern factories round the airport in the deep south.

Over the past 20 years the population of the whole Greater Manchester pie has remained virtually static, drifting down from 2,700,000 to 2,600,000; even that modest fall is made up for by growth

beyond the southern boundary. If you make it in Manchester, you move out to Cheshire.

The city wedge, in that time, has lost one-third of its population, from 662,000 to 449,000. But this abrupt fall in population is not the result of people voting with their feet against Manchester. In large part, it is the consequence of the city's deliberate policy.

Between 1951 and 1976 the council demolished 82,000 homes in the inner area and rehoused 250,000 people. This was the fulfilment of the Labour Party's long-cherished vision of a time when the dark, satanic city would pass away.

It was not so easy to build Jerusalem. Manchester originally wanted to build whole new towns, with their own facilities and their own jobs. Cheshire would not have that. Instead, the Manchester overspill went into isolated

estates fitted in wherever land could be bought. That was one of the seeds of the employment crisis. When the inner city slums were pulled down, jobs were destroyed along with the houses, and not all of them were replaced on the outskirts.

One of the biggest of the overspill estates is at Hattersley, grandly but impractically sited on the escarpment of the moors on the southeastern rim of the city, in what is now the borough of Tameside.

Ten thousand people live on this one estate. It is a cheerless place at the best of times, and dismal when the mist creeps down from the moors and blots out the distant view of the Manchester skyscrapers.

Many of the families who live at Hattersley moved there from Hulme or Moss Side in the 1960s. In many respects, and in particular in terms of their prospects of

finding a job, they are little, if at all, better off than those who stayed behind.

Manchester is not just an industrial town, threatened with the loss of its major industry, like Coventry, or a seaport whose trade has moved elsewhere, like Liverpool. The city's public relations department does not exaggerate (whatever they may feel in Leeds or Newcastle or Liverpool) when it boasts that Manchester is the "accepted capital" of the North of England.

For a hundred years it has been a great European "second city". It is to be compared with Hamburg or Bilbao or Barcelona. The question now is how long it will be able to hold on to that rank.

It is a transport hub, with a better system of urban motorways than London and a major international airport. It is an exciting city for sport, for music, and for the theatre. It supports two symphony orchestras, two important theatres and a "fringe" excellent restaurants, fashionable discos.

It is second only to London as a centre of higher education, with three universities (Manchester itself, UMIST and Salford) as well as a big Poly, the Royal Northern College of Music, the business school, the National Computing Centre, and the biggest medical school in western Europe.

As a result it is a magnet for young people. Over 26 per cent of the population is between 15 and 25, against less than 22 per cent nationally. Until recently, in fact, Manchester was doing just what established cities in developed countries must do: it was moving out of manufacturing into services.

Suddenly that recipe has gone sour. With a severe cyclical recession superimposed on the downward trend in manufacturing, the disappearance of jobs in industry has accelerated sharply. At the same moment, partly because of the recession, but also partly because of the Government's public expenditure cuts, the compensating growth in service jobs has stopped short. The effect has been rather as if the city's economy has suddenly hit a brick wall.

The chief executive of the Greater Manchester Council expects that 10 years from now the city will have about 230,000 fewer jobs than people looking for them. And even that figure is calculated on what could well turn out to be over-optimistic assumptions: that the economy as a whole will pull out of recession, that manufacturing will decline no faster than in the 1970s; and that service employment will remain buoyant.

In Manchester, as elsewhere, part of the cause of this decline has been a poor rate of investment. Manchester has had far less than the national average of investment in manufacturing industry: £77 per head, as against £152 in Wales and £190 for Merseyside. And Merseyside is scheduled to lose all development grants from central government when it loses assisted-area status this year. Officials are specially bitter that this will also mean losing any hope of regional development funds from the European Community.

There is a certain rough justice in this, though. Manchester is no worse off than other great British cities. It is far better off than some. What the Moss Side rioting revealed was that, apart from the specific local pressures crowding in on an inner city neighbourhood with a high concentration of black people and of other groups with special problems, Manchester, too, even relatively prosperous Manchester, is going through an urban crisis.

Under regional development grants, in 1979-80, Manchester received only £3.70 per capita, against £50.60 for Wales and £70.50 for Merseyside. And Merseyside is scheduled to lose all development grants from central government when it loses assisted-area status this year. Officials are specially bitter that this will also mean losing any hope of regional development funds from the European Community.

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Peking 'duck' for diligence

Peking, Feb 16. — Many Chinese employees are reluctant to be singled out as "model workers" for fear of being ridiculed and ostracized by their workmates, the Communist Party's People's Daily reported today.

Bush fire alert in Tasmania

Hobart, Feb 16. — The Tasmanian Government today declared a special emergency because of bush fires. At least 5,000 firefighters were trying to put out blazes all over the island.

Population

	1971	1981	%
Coventry	334,180	310,216	- 7.2
Manchester	534,511	437,663	-18.1
Swansea	185,981	183,484	- 1.3
Glasgow	982,317	783,162	-22

Source: Census of Population

Unemployment

	Percentage April 1979	% December 1981
Coventry	6.2	15.7
Manchester	5.3	12.7
Swansea	6.9	15.5
Glasgow	8.6	15.8
Great Britain average	5.4	12.0

Source: Department of Employment

NEXT WEEK
Glasgow: towards a housing solution

THE ARTS

Theatre
Poetic
debate

Hours of Life

King's Head

Before the next version of *La Ronde* arrives on the scene, here is a welcome glimpse of a very different aspect of Arthur Schnitzler. *Hours of Life*, the first play of a 1902 cycle on attitudes to life and death, consists of a debate between the son and a lover of a dead woman. The son is a poet, the lover a retired official; and, as practically all we learn about the woman is that she committed suicide for the sake of her son's work, the general impression is of a circular argument on the unprofitable theme of art versus life.

However, all the detail in Peter Irgel's translation contradicts that impression. First, there is the garden setting—a neutral zone, midway between creativity and office routine. Then there is the fact that Anton, the official, couples his hostility towards art with a strong sense of his own insignificance. Also, as an old man in a respectable job, he first seems to represent conventional morality; whereas it is he who has had the clandestine relationship and the young poet who should bear the weight of family responsibility.

The lovers meet in the garden. The poet looked after his mother at home. Would old Anton feel so bitter about losing her if it meant not simply "an hour of life" with her in the garden, but listening to her coughing through the wall for night after night?

Schnitzler drops in such questions unobtrusively and stealthily introduces his characters' biographies so as to set up preconceptions and then demolish them. The central duel is forecast in an opening scene with the old gardener (Leslie Glazer) describing his disagreements with an arrogant newcomer to the trade. In Vladimir Mirodan's middle production, Joseph O'Connor sits absent-mindedly through this rigmarole, looking every inch a bitterly bereaved husband—a feeling initially confirmed by the arrival of Alan Coveney, in full poetic uniform, to describe his attempts to cure his grief by visiting the best art galleries in Europe. The facts of the relationship then start coming out; and we find the aggressive Anton asking the boy for forgiveness, and the inoffensive boy finally accusing him of betrayal for disclosing the suicide note.

There is not much depth in Mr Coveney's performance; but, behind all Mr O'Connor's denunciations of the unfeeling, blood-sucking artistic community, there is a complex character of guilt, affection and respect for the artist.

Irving Wardle

Pop music

Shalamar

The Venue

Initially vilified by those who could hear no further than the Bee Gees' score for *Saturday Night Fever*, disco music has turned out to be the most serious and profound evolution in popular music since the invention of rock and roll. Even the intellectuals have capitulated: indeed, some of the more perceptive among them were the first to recognize the potential of this new musical Esperanto.

Perhaps, in the end, disco will earn its place in musical studies more through the achievements of those who adapted it—August Darnell and Stony Browder, Nile Rodgers and Bernard Edwards, David Byrne and Brian Eno, and others—than via the hard core of singers, musicians and producers who delivered the music to its original audience on the dance floor. It is difficult, for example, to imagine a position embracing the collected work of the artists who appear on the Solar label, which, by virtue of its consistent ability to manufacture best-sellers, constitutes a mini-Motown for the Eighties.

Shalamar, a three-piece fronting seven-piece band, are Solar's most successful outfit. Their 90-minute set on Monday night was an efficient production set firmly in the mode established by various Motown artists in the late 1960s, combining the funk of Sly Stone, the flamboyance of Jimi Hendrix and the gushing insincerity of Las Vegas.

Of the trio, Howard Hewett has a serviceable tenor, with a graceful transition to the falsetto register, and Jody Watley's husky soprano is reminiscent of the young Diana Ross. Despite the energy of their drummer, Tony Wesker, and Floyd, percussionist, Danny Motown, the band's sound like "The Second Time Around", "Full of Fire" and "Make that Move" seemed interminable. Only an unannounced medium-tempo ballad stood out, allowing Hewett to vamp imaginatively over well-arranged background harmonies; amazingly, they chose not to perform "Talk that to the Bank", their best-known song.

Richard Williams

Cinema: Berlin Festival

A vogue for the avenging sword



"The Shimoyana Case": detailed re-creation of post-war turmoil

Now in its thirty-second edition, the Berlin International Film Festival is today a triumph of the computer. It runs with an awe-inspiring efficiency unparalleled at any other festival. Films show up, and screen on schedule. Accreditations, hotels, tickets and all the other daily anxieties of festival-going are ordered without any of the queuing and battles that seem indispensable elsewhere.

The element of human fallibility is overcome, indeed, in every respect but one: computers have no control over the availability and selection of films. The first days of Berlin have certainly brought no winners. The best picture so far, Bernard Tavernier's *Coup de Torchon*, is not in competition. Based on Jim Thompson's novel *Pop 1280*, it is set in a rotting colonial outpost in French West Africa just before the Second World War. Philippe Noiret plays the ignorant, incompetent and cowardly police chief who suddenly awakens to the cleansing possibilities of murder. The film is richly atmospheric, evoking the arid land and killing boredom, and the superficial manner of old-style French character comedy (Tavernier's co-writer was Jean Aureche) gives piquancy to the underlying brutality of the film's message.

The theme of the swift avenging sword is currently rather in vogue. It appears again in the Swedish entry, *The Simple-minded Murder*,

written and directed by Hans Alfredson, who also plays the wicked landlord who drives the good, simple-minded hero to his act of vengeance. It is an amiable film, with an old familiar Scandinavian blend of social deprivation and religious mysticism. The slight problem is to know how seriously Alfredson intends us to take the gorgeously appraised avenging angels (they include

Bjorn Andreson, the boy from *Death in Venice* who stride through the town at the heels of the simpleton. The influence of Costa Gavras, Francesco Rosi and their "investigative" cinema continues strong. In this genre there is little to be said in favour of Henri Verneuil's *Mille milliards de dollars*, a dull film about a journalist investigating the frauds of multi-national corporations.

A Japanese film, Ken Kumai's *The Shimoyana Case* (or "Willful Murder", or "Dirty Tricks"), the title seems undecided, is a more interesting example of the style, on account of the detail it brings to its recreation of an event of the post-war turmoil. In 1949 the head of the state railways is found dead on the tracks, days after a massive lay-off of his workers. Kumai's hero is a

journalist (as usual) pursuing the case for more than a decade in order to disprove the official verdict, and show the death as a murder instigated by the American-backed political right to discredit the far left. It is rough, contentious and a great deal more absorbing than many a more elegant film.

David Robinson

Opera

Real people in vibrant vision

Così fan tutte

Metropolitan Opera, New York

In 1951 the Metropolitan Opera introduced its audiences to *Così fan tutte* via the celebrated English-language Alfred Lunt production. Thirty years later, it has replaced that version with a new one cunningly set and adeptly staged, so that Mozart's endless melodies and the opera's delicate balance between life and artifice are enhanced and enshrined.

The Met's very size militates against that intimacy which *Così* should ideally have, but its acoustics are such that soft, expressive singing, when adequately projected, is always not only audible but dominating. And this production blessedly gave the audience yards of such gracefully rich subtlety, from the singers and from the orchestra, tamped down and shaped by James Levine. He conducted a fluid, lithe reading still a bit rough at the edges, which needs to settle into the kind of naturally-produced tempo relationships over the long span that are the hallmark of the best Mozart conducting. Yet Levine's constant attention to dynamics and pacing invigorated everything on stage, and constituted some of his strongest work in the house this season.

The cast were well chosen, both as to voices and physical types,

and produced a Mozartian ensemble vocalism of unified beauty of tone. Kiri Te Kanawa's magisterial Fiordiligi at once so vocally commanding yet so softly vulnerable—rightly brought down the house. If she treats her lower voice, here clinically examined by Mozart's writing, with a gingerly restraint, she displays a power and a creaminess in the upper register that more than compensates. One might wish for a shade more élan and daring to go with her intelligence, and a bit more firmness at the end of phrases, but that is nit-picking; she graces, once again, the house with her presence.

Maria Ewing as Dorabella provided the perfect contrast. Here is an outstanding natural comedienne, both vocally and historically, who can colour her chest register so that each word emerges with a quizzical edge. Yet comedy never overwhelms; her "Smanie implacabili" balanced exaggeration with tenderness, her second-act duet with Guglielmo pulsed with awakened emotions, and her handling of recitatives was ever masterly. She has emerged as a major artist.

The men were similarly contrasted. David Rendall's flexible light tenor glided almost effortlessly over the notes, and he handled the tessitura of "Ah lo veggio" with the ease of a butterfly among violets. James Morris's dark bass-baritone is the current preference for the role of Guglielmo (rather than a light

lyric), but the wonder of his large, somewhat rough voice—used for such roles as Claggart in *Billy Budd* or Boris Godunov—is that, although it can cannon out, it can also be reined in for superior Mozart ensemble singing, while its masculine power counts for a great deal in the second act. Kathleen Battle's bright and pointed soprano made an exemplary Despina, although the inbuilt clichés of that role, combined with the fact that she is black, gave her servant the aura of those sassy Negro maids of 1930s comedies. Donald Gramm was his usual urbane and imperturbable self as Alfonso.

As with most *Così* productions, this one reduced the size of the stage by means of a false proscenium, with its own curtain, and a raked playing area. Yet the designer Hayden Griffin's use of movable screens, enclosing and revealing, and a battery of servants to keep the flow of the opera continuous, was entirely appropriate, as was the contrast between the brightly-painted foliage and background Vesuvius (seen smoking in the second act) of the outdoors (which in its *trompe-l'œil* effect of doors opening through trees recalled the ambiguités of Magritte) and the soft patterns of the interiors. This was inventive setting in unobtrusive guise, and solved many of the problems this opera raises.

Colin Graham's staging was basically realistic, in keeping with today's view of *Così*, and never

veered into slapstick or buffoonery. The men as Albanians were barely disguised—the question as to why the ladies never recognized them was not addressed—while, in the final scene, the two men never re-donned their costumes for the final revelation.

Graham carried the idea of real people in real emotional situations to its logical conclusion by having the lovers, finally, pair off as they did in the second act, and not go back to their original paramours. This is more a trendy than a satisfactory solution, but understandable given the orientation of the production. If Graham used his servants fussily, having them peer around corners of the screens at odd intervals, his staging had the real merit of the negative virtue: nothing in excess, and humanity glowing through the disguises and the plot constructs as Mozart glows through the words and story of *Da Ponte*.

One arresting vocal moment (which is in the score) typified the evening: the *subito piano* in Fiordiligi's "Come scoglio" at the word "tempesta" when she looks at, and almost recognizes, Guglielmo. That moment encapsulated the ambiguités of this supreme score of mask and face, of comedy and wisdom, which was brought to such vibrant musical life on the stage of the Met.

Patrick J. Smith



The magisterial Kiri Te Kanawa (left) with Kathleen Battle

Interview: Edward Cowie

Explosion of musical ideas

The New Opera Company, which grew out of the Cambridge University Opera Group, tonight at Sadler's Wells celebrates 25 years of more than 40 productions of contemporary opera, from Arthur Benjamin's *Tale of Two Cities* to Szymanowski's *King Roger* and, most recently, *The Italian Straw Hat* and *Julietta at the Coliseum*.

Vaughan Williams, whose *Sir John in Love* the group first performed at Cambridge, was instrumental in the early history of the company, energetically encouraging its production of new English operas. Now Edward Cowie is benefiting from the company's continuing existence. Originally written for and performed at the State Opera in Kassel when Cowie was guest professor at the university there in 1979, his "fantasy opera" *Commedia* was spotted by Leon Lovett, the New Opera Company's music director, and its British premiere this evening will be a particular kind of celebration for Cowie too.

It comes at a fruitful time in his composing life: a fortnight ago, his *Concerto for Orchestra* was premiered in Liverpool, and during the last year he has written four

preparatory pieces for a new opera, a group of Wyatt madrigals, a choral symphony for the Leeds Festival and a new work for chamber orchestra. *Commedia*, written between 1974 and 1978, is seen by Cowie as a kind of catalyst.

"I went through a long period of very self-conscious composition," of thinking about my status in the avant garde and about contemporary musical thought. And with two different kinds of teacher—Fricker and Lutoslawski who worked on my emotional make-up and Alexander Goehr who worked more systematically on serialism—I went through 10 years of writing either ultra-serial music or very rampant tonal romantic music. I suddenly decided I'd have to start listening to what I wanted to write and become more passive, not letting my thinking dominate my fantasy. The moment that happened there was a great explosion of musical ideas, one of the first of which was *Commedia*.

The tensions between improvisation and fixed plot within the pre-Goldoni *commedia dell'arte*—a form which has fascinated Cowie ever since, as a student, he

acted the part of Pantalone—and then the opportunities for dramatic intertextualization between its stock characters and situations and the rhythms and order of the natural world (with which Cowie as ornithologist and naturalist is equally obsessed) provided him with both a musical and a dramatic focus for his compositional energies.

Cowie's music and his conversation are shot through with Tippettisms ("the music turns on its dark side," I caught him musings), and *Commedia* itself, with its archetypal characters, cycle of seasons, ritual dances, begs easy comparison with *The Midsummer Marriage*. But in theatrical terms Cowie feels they work in opposite ways.

Cowie's work as a painter surrounds him with a vocabulary which at times can obscure as much as illuminate his verbal articulation of musical ideas. I caught him saying, "I caught him musings," which, in the end, as he admits, have to speak for themselves. But it does mean he knows just what he wants from his designer and director. He chose Aldous Huxley as designer after working with him on a *commedia dell'arte* in 1969. "I watched him dream up Aztec and Inca imagery long before he'd actually been to Peru, and I was convinced that was the sort of primal, naturally chromatic backdrop I wanted."

David Freeman, whose experimental and improvisatory work with Opera Factory has been so much in evidence over the last six months, was a natural choice for director. "Michael Geliot [who directed in Kassel] had a special vision of the work's timelessness. But what I look forward to in David is his exploration of the sensual, erotic complexities of the work. And he will, I think, try to articulate some of the work's classicism—I've thought a lot about Mozart and *The Magic Flute* in this work—as well as its inherent modernism."

Hilary Finch



Cowie (right) at work in the recording studio

Concerts

Bruckner's noble sense of proportion

Bournemouth SO/Segal

Festival Hall

Even in the pro-Bruckner musical climate of today, his fifth symphony is something of a Cinderella, and gratitude is due to Uri Segal and the Bournemouth Symphony Orchestra for bringing a carefully prepared interpretation up to London's South Bank on Monday. They preceded it with Mussorgsky's hair-raising *Songs and Dances of Death*, sung by Benjamin Luxon in Shostakovich's transcription for voice and orchestra.

Audiences, maliciously

brainwashed into fear of counterpoint and fugue as cerebral academic exercises, shy away from Bruckner 5, because every commentator draws attention to its exploits in those accomplishments. They are not dry, but dramatic, just as the fugues of Bach and Beethoven and Brahms are dramatic. When Bruckner exercises his mastery in the finale of No 5, the least academic listener feels the tension rise alarmingly, and the hairs on the nape of the neck bristle.

Bruckner 5 is no remote symphonic exercise, but a living music drama: yet it is not, like some other Bruckner symphonies, so much about jolly peasants, or Austrian scenery, as about

music itself, the voice of God apprehended by Bruckner, if you like, the music of the spheres. Wagner, Bruckner's idol, wanted audiences to abandon themselves to his music. You can do worse than that, listening to a Bruckner symphony, though. No 5, of audience participation, active pursuit by ear of the musical argument in which the emotional content, uplifting and entrancing, is carried out.

Bruckner was a pure Viennese classic at heart, the heir of Haydn and Schubert. For that he is nowadays loved and for his romantic paragon Wagnerian emotionalism. Segal honourably opted for

the classical, unsultry style. The proportions were nobly and precisely delineated, the emotional contents never left in doubt, all the same; the symphony also exercised the new, increasingly substantial capability of his Bournemouth orchestra, already a band moving purposefully into a higher league.

I enjoyed it for its underplayed pomp, care for instrumental colour and due proportion, and the clean articulation of musical sentences. Luxon sang the Mussorgsky songs scrupulously, without exaggeration or any mimicry of, say, Chaliapin, using his own flexible baritone voice to vivify words and music.

William Mann

Infectious atmosphere of discovery

Endellion Quartet

Purcell Room

I hope the sight and sound of a large and enthusiastic audience on Monday will not encourage the Endellion Quartet to move into larger halls. Of course they fully deserve their growing success, but quartets are best heard at close hand, especially quartets as lively as this.

Still young in their career together, they fully enjoy their music-making, yet not

in that coy, clubby way that keeps the listener at a distance; instead they invite one to share with them in the surprise and pleasure they find in what they play. Their sound, too, is fresh in its openness and immediate in its flexibility, for they are not afraid to sound raw, as at the start of the finale of the Ravel Quartet or in the ruder parts of Beethoven's 22 minor, nor are they too sophisticated to indulge in the occasional moment of pure sugar.

So infectious was the atmosphere of keen dis-

covery that I found myself caught unawares when Schubert's C minor Quartet did not continue into a second movement, and amazed also by such things in the Ravel as the dissonant counterpoint for pairs of instruments or the extreme business of the thematic working. More harmonic ensembles tend to veil detail here in yards of satin, but the Endellion made everything as new, as they did also in the "Rasumovsky", reliving all its insistence, playfulness, comedy and drive, though proving themselves

children of their time in finding it difficult to hold the long breaths needed for the Adagio.

Between Ravel and Beethoven they gave us more John Foulds, his *Aquarelles*, pleasant little sketches and distinctive, but not by any means on the level of the Quartetto intimo this quartet recently recorded. That record shows Foulds's true stature, and the Endellion's.

Paul Griffiths

Youri Egorov

Queen Elizabeth Hall

Youri Egorov's change of programme at a few days' notice was perhaps typical of this young Russian pianist's artistic perfectionism and fastidiousness, a determination to play the right music at the right time, which can even result in a recital being cancelled if he feels unready for it.

From the first of his 12 Chopin Etudes, its progress

massively powerful yet stridingly energetic, it was clear that both he and we were, indeed, in the right place at the right time. Here and in the second and fifth Etudes in particular, a perfectly and excitingly suspended balance of power between hands gave the music fresh impetus, released as a scampering, bounding vitality in the eighth.

More rewarding musically than his not always deeply penetrating exploration of the individual character of each study was the strong

unified sense of the cycle as a whole. Mr Egorov gave it a rare momentum, tensely generated and sustained by a shifting and interfusion between the harmonic searching and uncertainty he uncovered in No 6 and that fevered energy that almost sweated itself out of No 10. Where in the Chopin, a Mr Egorov's confidence broadened his vision while still leaving him with the surplus nervous energy of spontaneity, his Debussy preludes (Book Two, not Book One as advertised) tended to be

weakened by over-cultivation. Here again was the ease of execution, the nicely scaled dynamics, the beauty of finely nuanced tone; but too much had been fixed down too soon. One longed for a sense of the joy of a work of art in progress, for the dancing figures to spring from the triads, for a greater sense of expectancy and the unexpected even amongst the exquisite artifice of "Feux d'artifice".

Hilary Finch

Four voices from the West: Willy Brandt, West German Chancellor, 1969-74, continues the debate

Stop this defeatist talk about Nato

Bonn. Doubts about Nato's future and cohesion have become quite a lasting legacy. With inflexible regularity it is predicted that the alliance will collapse, leaving Europe defenceless in the face of all-powerful communism.

In the past few months, accusations to this effect have been directed mainly at West Germany. It is suspected of renouncing basic western convictions and clandestinely seeking an accommodation with the Soviet Union, lured by the appeal of German reunification.

In effect, the concerns about the future of the alliance constitute a kind of phantom battle. Nato is militarily intact and capable of political action. There can be no question of an actual crisis comparable to that caused by the failure when he decided upon withdrawal from the alliance's military integration.

In West Germany the need for Nato is almost undisputed. Unlike the situation in several other member countries, there is virtually no significant political force here which calls Nato into question. "The Atlantic Alliance with the military presence of the United States in Europe is indispensable for the Federal Republic's external security and its capacity for political action". This sentence is contained in a resolution drafted by the executive of the Social Democratic Party for the party congress in April.

What then is actually happening? It is rather the opposite of what is being talked about so much, especially in America: West Germany and other European countries are actually in jeopardy as unilateral disarmament, neutralism, and anti-Americanism, possibly combined with pro-Soviet tendencies. This is an allusion to the German "peace movement" of last autumn and the West German

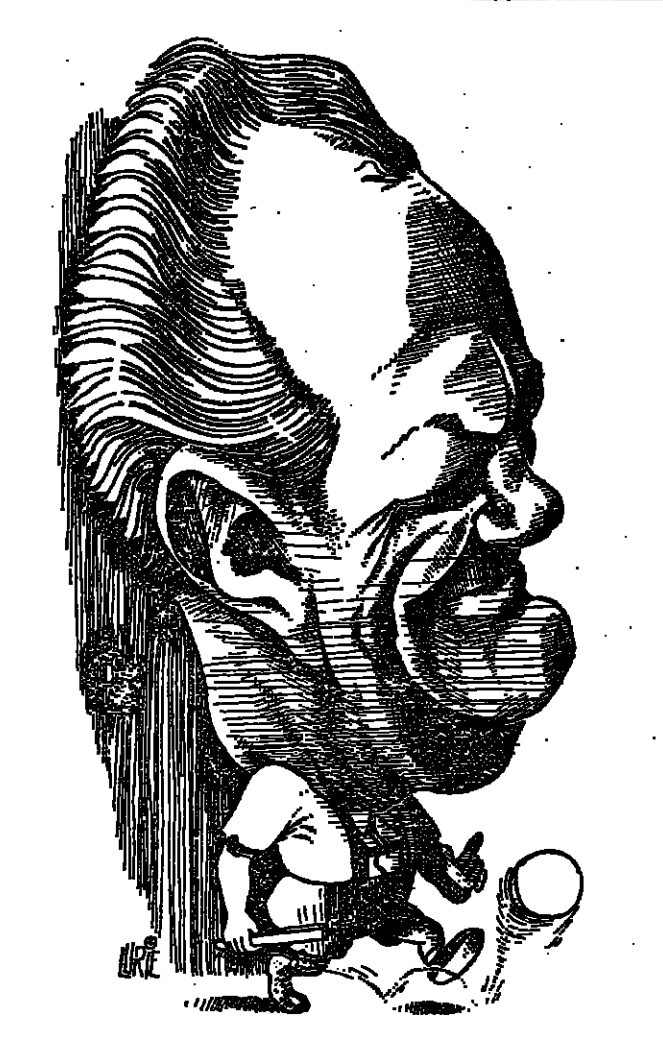
Government's stance on Poland.

As far as unilateral disarmament is concerned, only a tiny minority of people in this country, and certainly no political forces of any importance, consider it a feasible idea. But many people are worried about peace and are pressing for disarmament. With a few insignificant exceptions, these people are neither communist puppets nor pro-Soviet in their outlook. Rather, they are essentially in agreement with the Social Democratic Party and the trade unions, indeed with the vast majority of the people, that the dangerous folly of the continuing arms race must be stopped.

The superpowers must negotiate a mutually acceptable form of equilibrium attained by disarmament. As for neutralism, I do not know of anyone in West Germany with any political influence who advocates a separate course for Germany outside the alliance. And as for the alleged new nationalism, it simply does not exist. Even the few intellectuals who are in favour of dissolving the power blocks as a first step want to see peace safeguarded and not a powerful non-aligned Germany.

Incidentally, the fact that members of a divided nation occasionally ponder on the prospects for overcoming that division should not surprise anyone, least of all those powers who for decades also subscribed to German reunification as a goal of European politics. But almost all of them know that this goal could move into reach only after a very long period of détente and disarmament, and only with the approval of the four erstwhile victorious powers and the nations of Europe.

Finally, the reaction to events in Poland: in Germany, solidarity with the Polish side is very deep. Deeper than even people in other countries believe. We have received by far the most of the Poles who left their country after the downfall of Mr Gierk. Since December 13 people in this country have sent more than two million relief parcels to Poland. But the Government, the parties constituting it and the vast majority of Germans do not think much of talk and threats, nor of a kind of loud moralising.



Not only would that be of no use, least of all to the Poles, but it could impair the prospects for peace. The elimination of tensions is vital — otherwise disarmament talks have no chance of success, and peace no perspective.

Can this attitude be construed as a betrayal of the Poles? Definitely not. It is not a case of "Poland or peace" — peace is equally vital to the Poles and only if the policy of détente is continued will our joint Western demand for normalisation in Poland have any prospects of success.

If a path towards greater freedom and democracy still exists in Poland, we must not obstruct it by creating a cold war atmosphere. Détente is always based on reciprocity: as long as the other side is interested in détente it will be willing to pay a price to preserve it. Thus what we have here is not a pro-Soviet attitude but a policy marked by a common interest in preserving peace also for Poland's benefit.

The future of the Western Alliance is not a matter of doubt; it is not being questioned by the Germans.

What is involved is not the

existence of Nato but the principles of its policy. This policy combines the concepts of military equilibrium, political détente and balanced disarmament. In Germany the active pursuit of these goals is called peace policy.

Ever since the development of strategic nuclear weapons, military confrontation has become global — in three respects:

• These weapons are a threat to all the countries concerned.

• They are a potential threat to any point on the globe.

• They are a total threat to any political adversary, meaning that they threaten his very existence.

In this sense interdependence exists: it is ice-cold and, as it were, negative form of interdependence — forming this ice-cold interdependence — keeping each other at bay, so to speak — into a positive and constructive type of interdependence is the purpose of the policy of détente. This policy accepts existing realities, including the alliances, and does not seek to change the balance of power by force. Its aim is a reconciliation of interests and co-operation in political and economic matters. Its aim is to preserve the independence of smaller members of alliances as well as the overriding security interests.

In all these respects peace policy is also directly to reduce conflicts by reconciling different interests and hence to prevent the causes of war. It also takes account of the aforementioned military form of interdependence. It knows that security, the basic goal of military defence, can no longer be achieved through supremacy, but only through cooperation.

Today both elements of peace policy — détente and defence — are in jeopardy. In global confrontation there is inevitably the tendency to bypass the opponent's military potential and strike at his substance, for instance economically, by a strategy of "arming oneself to death". But anyone who speculates on his opponent collapsing from within is toying with the idea of a victory which would be similar to a military victory

and might trigger off a corresponding reaction.

On the other hand, arms technology has progressed to a point where before long there will be weapons which some people feel they already exist — which are so "small" and accurate that there might be a tendency to use them for a regionally limited conflict. The temptation to aspire to supremacy — a truly dangerous temptation — has thus been brought closer again.

This is a fatal and possibly a suicidal course. When asking whether peace policy can be continued, much more than détente is at stake. We now need effective arms limitation and genuine disarmament more urgently than ever before.

It is hoped that people will not look in vain to the talks in Geneva.

I should like to finish with a quotation: "What kind of peace do I mean? What kind of peace do we seek? Not a Pax Americana enforced on the world by American weapons of war. Not the peace of the grave or the security of the slave. I am talking about genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children. Not mere peace for Americans but for all men and women — I speak of peace because of the new face of war."

"It makes no sense in an age when the deadly poisons produced by a nuclear exchange would be carried by wind and water and soil and seed to the far corners of the globe and to generations yet unborn. Genuine peace must be the product of many nations, the spirit of many nations. It must be dynamic, not static, changing to meet the challenge of each new generation."

"For peace is a process — a way of solving problems. It is not a state of mind. It is not a state of tensions without relaxing our guard. And, for our part, we do not need to use threats to prove that we are resolute."

The American who said this was President John F. Kennedy. He did so in 1963 and was talking about shaping the future, Nato's future, too.

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Tomorrow: Maurice Couve de Murville

Henry Fairlie

Too many duds on the campus

A few days before President Reagan revealed his budget proposals, a coalition of 12 groups called the Action Committee for Higher Education, already knowing what the proposals would mean for their members, launched a lobbying campaign as intense as that conducted by any other industry. And why not? Higher education in America is an industry that manages to spend almost \$60,000 a year.

The day after its press conference, the Washington Post carried a half-page news story from Cambridge, in England, that is, not Massachusetts — which bore the menacing headline: "Thatcher's budget axe threatening deep cutbacks at universities". It reported the same kinds of protests there as are beginning here. Who says that the special relationship is not flourishing when the hands of so many nervous dons are joined across the seas?

The cuts in financial aid to students which Mr Reagan now proposes are certainly deep. Whether one considers them also to be savage depends on what one thinks of the higher education system in America as it has developed in the last 30 years. One of the undeniable benefits is that many teachers who ought not to be teaching are able to live comfortably off the aid given to many students who do not deserve to be taught.

The General Accounting Office (GAO) last year presented to Congress a report on the actual working of the student aid programmes. Its examples included a student at State Community College in East St. Louis, who received \$8,400 in seven years while completing only 35 of 215 required credit hours. She took the same speech course eight times and the same sociology course five times. She passed in neither of them.

A student at Boise State University in Idaho who received more than \$4,200 in federal aid was granted a degree in social science after taking 13 physical education courses. The student included "coed bowling", "coed juggling", and even "coed juggling". He did best in two independent study courses on "sexuality and the male athlete" and "behaviour of the Christian and non-Christian child". His final marks were 4 Fs and 11 Ds. The state university gave him a degree.

Of course the standards in the some 3,000 universities and colleges in America are not uniform. Anyone who has lectured for his or her salary at one of the smaller private colleges must wonder how they were ever accredited as institutions of higher education. Yet they have benefited as much as anyone in increased revenues. The substantial expansion of the student population was the work largely of the GI Bill after the Second World War. The enrolment in higher education in Illinois — as suitable a state as any to take as an example — rose from 107,000 in 1940 to 155,000 in 1956. This was modest enough, given the circumstances, and standards were surprisingly maintained. That imaginative expansion is not seriously criticised by anyone.

It is interesting, in fact, that of the three agencies which administer the financial aid to students today, the Department of Education, the Social Security Administration, the Veterans' Administration, the last, according to the report of the GAO, which now maintains the highest standards in the selection of students worthy of assistance. This legacy of the administration of the GI Bill needs to be remembered. But then came the 1960s.

The offspring of the postwar baby boom rushed on the universities and colleges and overwhelmed them.

At the same time the programmes of the great society were introduced: the children of the needy and minorities were to be helped to go to college. Whereas in the 16 years before 1955 the number of students in Illinois had risen by only 50,000, it rose in the succeeding 16 years by only a little less than another 350,000. It is such astounding figures reflected in other states across the country, that raise questions about student aid. One last figure gives some idea of the mushrooming that occurred during the 1970s. When the Pell grants for needy students were introduced in 1973-74 they are called after Senator Claiborne Pell who sponsored them — \$122m was distributed to some 185,000 students; in the fiscal year which ends in April this year no fewer than 2,800,000 students will receive \$2,300m in this form of aid alone. No wonder Mr Reagan wonders.

The admission of students who will probably not graduate and not even finish their courses, says the GAO, is what "threatens to undermine the integrity of the financial aid programme". Of course ways ought to be found to find even within the aid system a class of students purely on their merits, and the other categories of admissions do not seem likely to exclude many students who deserve to get in.

Other universities and colleges are adopting much less severe policies, and on the whole one finds it difficult to believe that harm will result. The simple fact is that the admissions policies of the past two decades have produced a system of education in which increasingly the ill-educated have been educating the ill-educated, at the cost not only of the taxpayer but of those who can and wish to be educated.

The trustees of Yale University had the intelligence in 1978 to choose from its own faculty as its new president a professor of English and a scholar of medieval and renaissance literature. Mr A. Bartlett Giamatti has surprised many by his skills as an administrator and even as a fund-raiser. But he has also become the most articulate spokesman of the need to restore American universities to the pursuit of their traditional functions.

There is not one state university in America today that has anything like the reputation of several of the universities of this century or even the University of California at Berkeley before it was wrecked in the rampages of the 1960s. When the admissions were comparatively few, even to public universities, the "elitist" hierarchical nature was respected, even by the democracy. It no longer is. Not by the democracy as it is now.

It can only be hoped that the cutting of several billion dollars from the federal budget will not be a setback to the reform which really has begun.

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Does the Arts Council protest too much?

Last week Mr Richard Hoggart delivered the Haldane Memorial Lecture at Birkbeck College and used the occasion to make a prolonged attack upon the members of the Arts Council following the cuts in December 1980.

With ironical arrogance, he told his learned listeners that the media "had particular difficulties in dealing adequately with issues which require intellectual or imaginative perspectives". He accused the arts reporters of gullibility, and attributed to me personally a Svengali-like influence over them, in the following terms: "The intensity and length of the uproar over a good deal of the activities of my friend Michael Croft... he found quite exceptionally willing ears throughout the press and broadcasting". The fact that the "willing ears" might also have had mounds of their own and taken a poor view of the Arts Council anyway, did not occur to Mr Hoggart.

The truth is that for some time mine was almost the only critical voice to be heard. Most of the 41 organizations which lost subsidy kept quiet in the hope of having it restored or of obtaining Arts Council winding up grants instead.

I have now made my own study of the way the media treated the cuts. Far from the bias of which Mr Hoggart complains, I find that the press and the media have been continually giving the Arts Council space to justify itself.

The first announcement of the cuts, predictably, caused a furore; but Christmas was coming and one assumed that the press would then lose interest. On the contrary, in the New Year the issue was quickly taken up by some provincial reporters invited to London by the Arts Council to hear news of its regional policy. According to the Northern Echo, in response to persistent questioning over the cuts, Mr Richard Palford, Sir Roy Shaw's deputy, turned "very shirty" and sternly declared: "You are not here to discuss this."

At the same time Mr Hoggart spoke out as vice-chairman of the Arts Council. In *The Standard* on January 9 he justified the sack of writers given to victims by asking "Have you ever tried going up to a man and telling him you were going to hang him?" Some of us felt bound to reply that in British justice people were not usually hanged without a fair trial.



Michael Croft: critical voice

The first sign of paranoia at the Arts Council then appeared. Mr Hoggart claimed he had been misquoted, and the Arts Council put pressure on Mr Louis Kirby, editor of *The Standard*, to retract this statement. Mr Kirby stood by his reporter, Charles Spencer, but then gave Sir Roy Shaw two full-length columns in which he restated the Arts Council's position. However, this did not satisfy Sir Roy, who complained that a "miscellaneous" page and that, instead of printing his photograph, *The Standard* had used one of me as his principal critic.

Criticism came to the boil in March when, in *The Sunday Times*, Mr St John Stevas, Arts Minister at the time of the cuts, called the Arts Council's conduct "ill-judged and uncivilized". His attack elicited further press comment, some of it sympathetic to the Arts Council. In *The Observer* Miss Janet Watts found Sir Roy's manner surprisingly "gentle" and the press and the Arts Council variously of ineptitude, partiality, ignorance and arrogance.

Not a word of this criticism appeared in the daily press. In fact *The Daily Telegraph* devoted most of a lengthy report to the statements by Sir Roy and Mr Hoggart. By that Sunday Miss Janet Watts in *The Observer* described the hostile mood of the audience and the fierceness of the criticism. Miss Watts was then accused by the Arts Council of misrepresentation and lack of integrity. Although her editor stood by her, she felt so threatened by the severity of the attack that she is still reluctant to discuss the matter at all.

The Arts Council fired its major salvo. In its annual report, unsolicited by the hands of art reporters, Mr Robinson and Sir Roy in tandem defended the cuts yet again and rebuked the media no less

than eight times for its irresponsible coverage of them.

I believe that the Arts Council is an essential institution but it is surely scarcely credible that men who have spent their working lives in the field of communications should make such a botch-up of their public relations. Rereading their utterances, I suspect that they neither understand nor respect the functions of the press. They think it should be their handmaiden, not their critic; should print their hand-outs but not question their policy. Though outwardly democratic, when exposed to criticism they show a remarkable resistance. They resent the power of the press and the fact that, as the Arts Council is in practice answerable to no one but itself, the press provides the only court in which it can be judged.

It is a dismal irony that an organization which, above all else, should stand for freedom of expression, should get so incensed when the press chooses to exercise that freedom by putting the Arts Council itself in the dock.

Michael Croft

The author is director of the National Youth Theatre of Great Britain.

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firms in the Electrical Contractors' Association have been able to have BUPA medical examinations at their employers' expense.

Bailey says that preliminary findings from the Manchester area showed that electricians of an average age of 35 were physiologically more years older. He found them more worn, torn than businessmen of 47, and from heart disease.

Bailey is now analyzing results from screenings on London electricians, who seem a little less frayed than their northern colleagues. One filament of hope is likely to give up smoking and drinking better than businessmen.

In preliminary voting for the "best acting performance" category of the Broadcasting Press Guild's annual television awards, one member nominated Jeremy Irons for *Brideshead Revisited* and another Adolfo Celi for *The Borgias*.

Orchestral moves

If Rudolf Barshai, founder of the Moscow Chamber Orchestra, succeeds Uri Segal as principal conductor of the Bournemouth Symphony Orchestra, he will add prestige to the seaside band but further dilute its reputation for promoting British music.

Bournemouth was founded as the first permanent municipal orchestra in Britain in 1893 by Sir Dan Godfrey, of the great family of British bandmasters.

PHS

Shirley Williams forms a new personal alliance

Shirley Williams has formed a new and personal alliance with the Liberal prospective parliamentary candidate for Westbury in Wiltshire, David Hughes. He is at work on her biography, intended for publication before the next general election.

Hughes's sum total of published writing to date is one booklet, a prescient work he produced a year ago, called *The Case for an Alliance*. He is also now involved in plans for a new fortnightly supporting the alliance cause, called *The Democrat*.

His own constituency, though in the top rank of Liberal winnables, is not yet guaranteed to him by formal agreement with the local Social Democrats, but he is promised Williams's cooperation on the book. He says: "We have had one reasonably extensive meeting, and I shall be seeing her again when I have done more research."

Hughes promises a serious political book. "Anyone looking for a lot of stuff about hair and missed trains will be disappointed."

Clued-up Sir Cecil

The latest winner of *The Times* crossword puzzle prize is Sir Cecil Clothier, the Ombudsman. Sir Cecil, parliamentary commissioner for administration and health service commissioner for

THE TIMES DIARY

Donald Duck is the new Tory spokesman on economic policy. He is thus promoted to a Labour Party slide show which is to be shown in the constituencies this summer in an attempt to tutor party activists in the complexities of the alternative economic strategy.

England, Wales and Scotland, won *The Times Atlas of the World* with a correct entry completed in 45 minutes.

He has been doing the crossword since he went up to Oxford before the war. "I always do the crossword first, without any regard for the down ones, and then I go back to the beginning and see what I have got," he told PHS yesterday. "If you call that a system, that's mine."

Exotic holidays

Whatever our present difficulties, PHS does not envy Abraham Mendez his job. Mendez is deputy general manager of El Salvador's national tourism institute, charged with encouraging people to holiday in a land best known for its daily round of indiscriminate killings, bomb blasts and gun battles.

"There is no denying that we have an image problem," Mendez allows, but he thinks his country has had a raw deal from the

international media. True, American nuns and lawyers have been murdered but no foreign tourist has been killed or holiday centre attacked. "You have a greater chance or being killed walking down a New York street at night, but that does not prevent tourists going there," he complains.

The institute is trying to persuade the US State Department to drop its "no-go" rating of El Salvador, which since 1979 has meant that most American insurance policies are void during their holders' stay in El Salvador. "We all know some Americans will hardly go out of their front door without checking their policies, so this is obviously a blow to us," Mendez says.

Apart from civil war, El Salvador offers volcanoes, Mayan ruins, a tropical climate and Pacific beaches. "We are beginning to halt the slump in the number of visitors," the irrepressible Mendez avers. "All is not lost. We have great plans for the future."

Scotland Yard An Apology

Our item headed *Corruption Drama at the Court on January 19 suggested the Royal Court play Operation Baroque carried a degree of verisimilitude with Operation Countryman by portraying police corruption going as high as Assistant Commissioner. It also suggested this was correct in fact.*

We are glad to make it clear, and we accept, that there are grounds for suspecting that any of the Assistant Commissioners at the time of Operation Countryman, or at any other time, was guilty of corruption.

We apologise for any distress caused by this item and as a token of our regret we are paying a sum of damages to the Assistant Commissioners for crime and uniform operations respectively, part of which they will be donating to a police charity.

British delays

An influential German editor regales PHS with his experience of British efficiency. Instructed to report at Washington airport at least two hours before the departure of British Airways flight 276 to London, he was told when he got there that the flight would be half an hour late. He was warned of further delay only after the alternative (Pan Am) flight to London had already left. There-

after further delays were announced every 30 minutes until the passengers were taken to hotel bedrooms.

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McCARTHYISM

It goes back to last July. British Rail had offered its employees 7 per cent in the annual round, which was 7 per cent more than it could afford since it faced losses in the year exceeding £100 million. The railway unions had demanded 15 per cent. The dispute went to the Railway Staff National Tribunal (chairman, Lord McCarthy) which split the difference: 8 per cent backdated plus 3 per cent. The tribunal did not regard it as its business to consider how the award was to be paid for, though it gave a perfunctory nod in the direction of productivity: "given the financial and market constraints that press on the industry, adequate pay and conditions should continue to be influenced by what can be done to maintain productivity".

The board said the extra 3 per cent could be paid only if it was financed by productivity. The unions demanded payment without strings. A strike was averted in August with the help of ACAS in whose presence the parties put their names to two related but separate "understandings". One on pay said that the extra 3 per cent would be paid backdated on January 4 and a thirty-nine hour week introduced. The other on productivity included the objectives of variable rostering. "negotiation shall take place to establish variations to rostering agreements with a view to introducing some flexibility around the eight hour day". These discussions shall be concluded by October 31.

Two of the rail unions fulfilled their undertakings about productivity. The third, Aslef, did not. It refused to budge from the eight hour day, a time-honoured restriction which enforces monstrous inefficiencies in the use of train drivers' time. The board felt justified in withholding the 3 per cent from Aslef and Aslef felt justified in stopping the railways three days a week. The disruption for the public has been less than might have been expected. But it has been ruinous to the railway's finances and damaging to its commercial prospects.

The inquiry chaired by Lord McCarthy, which Aslef refused to attend, finds that the board's promise to pay the 3 per cent was unconditional, that its attempt at the time to make the payment dependent on the parallel productivity agreement being honoured was merely "a statement of intent about its own future attitude", that the 3 per cent should now be paid to Aslef and the strike called off, and that negotiations about rostering should be resumed and expedited in the established machinery of the railways from which the board should not have removed it, the final piece of that machinery being Lord McCarthy himself in his capacity of non-binding arbitrator.

Never can a party to proceedings have been so well rewarded for refusal to attend. Everything went Aslef's way. The only thing demanded of it is that it "should confirm its continued commitment to the understandings of

August 1981" and specifically to the rostering bit of the productivity understanding. But we know the cash value of Aslef's commitment to that agreement. Mr Ray Buckton spelled it out on August 21. The agreement, he said, did not commit the unions to any productivity issue; "we are committed to talking about these issues, something we have never refused to do. I say it is a victory for railwaymen".

This broken-backed inquiry has greatly weakened the position of the board. It can now seek to write into the conditions for paying up and resuming negotiations the pre-commitment by Aslef which Lord McCarthy so recklessly omitted from his proposals. That appears to be the purpose of its move last night. But it will be hard now to get a bankable assurance out of Aslef, and to stand out for one risks losing the good will of the other two rail unions and the present guarded neutrality of the trades union movement in general. Aslef's own protective self-righteousness will have hardened. The prospect of wringing a rostering agreement out of it this side of a prolonged shut-down of the railways, irreversible loss of traffic, and permanent closure of parts of the system, has been made worse by the McCarthy inquiry. But the board must persevere in the attempt and hold to its insistence on the efficiency of its manpower. In that it deserves support from the public and stiffening from the Government.

ARMS TO ARMS, ASHES TO ASHES

The proposed sale of American F-16 jet fighters and Hawk mobile anti-aircraft missiles to Jordan seems likely to become the object of another major political battle in the United States similar to the one over the Awacs sale to Saudi Arabia last year. Once again the battle lines will be drawn between the administration, the arms manufacturers and the pro-Arab business lobby on one side, and a broad alliance of Senators and Congressmen, some hawkish, some doveish, encouraged and orchestrated by the Israeli embassy and the American-Israeli Public Affairs Committee on the other. Mr Weinberger and the Pentagon will again be seen as the main proponents of the deal, while Mr Haig, who shows greater sensitivity to the dangers of a confrontation with Israel and its American allies, may again run the risk of appearing only a tepid supporter of the President in a key foreign policy battle — for certainly the President will need once again to throw his personal authority into the scale if the deal is to go through.

Mr Reagan might well win this battle as he won the last, but his domestic political position is no longer as strong as it was last year and he might, on reflection, decide that the diversion of energies from the battle to get his budget accepted and to preserve Republican positions in the mid-term Congressional elections was more than he could afford. He might also ask himself whether, if he is going to take on the pro-Israel lobby in a pitched battle, never a decision to be taken lightly by any American leader — this is the

right issue on which to do it. That was already very doubtful in the Awacs case, but at least there was a tenable argument that Saudi Arabia needed Awacs to protect her oilfields against a surprise attack from Iran, and that it was healthier for this protection to be assured by Saudi Arabia's own armed forces, suitably equipped, than by American forces based on Saudi soil. In Jordan's case there can be no serious doubt against whom an air defence system is needed. A major Syrian attack on Jordan is hardly likely, for all the present tension between the two countries. President Assad has more than enough on his plate without that. Nor does it seem likely that Mr Weinberger intends the weapons to be passed to Iraq for use against Iran, as Iran's President Ali Khamenei has charged. If that were the intention, Congress would certainly be right to oppose the deal, for only on the most cynical and short-sighted view could it be considered America's interest to fuel the flames of that futile and dangerous conflict.

No, the country by which Jordan feels directly threatened, and against which it feels especially vulnerable in the air, is of course Israel. The weapons by which it feels threatened are American weapons, acquired by Israel as military aid (either through outright grants or through very soft credit terms) from the U.S. government. And the reason why America feels impelled to offer such weapons to Jordan was also the underlying reason for the Awacs deal: the need to retain the friendship of moderate

Arab states in spite of supporting an Israeli policy which directly threatens their interests and to which they are bitterly opposed.

There are many aspects of this policy which the United States also opposes, or claims to oppose: for instance the raids against Beirut and Baghdad, the annexation of the Golan Heights, the intensive colonisation of the West Bank. It opposes these, rightly, because it sees them as threatening the fragile truce in the Middle East, increasing the likelihood of another all-out Arab-Israeli war, increasing the general Arab mistrust and hostility towards the United States, and thereby undermining the position of pro-American regimes in the Arab world. A logical response would be to reduce the level of American military aid to Israel until such time as Israel is willing to take more account of American views and interests. The administration is, it seems, unwilling to take the political risks involved in such a course. It is therefore driven to compensate for its over-arming of Israel by arming the Arabs as well thus getting into conflict with the pro-Israel lobby anyway but in a less good cause. Before long we shall reach the position where an Arab-Israeli war can be fought mainly with American weapons on both sides, thereby no doubt greatly increasing the profits of the American arms industry but also casting severe doubt on the seriousness of America's commitment to peace. It is time for Mr Reagan and his advisers to try putting the horse before the cart.

Health partnership

From Mr Arthur Seldon

Sir, Since taxation is not supplying sufficient funds, and the demand for improving health services will continue to grow, a decision to postpone insurance as a source of finance will have two results that neither government nor health insurers can preclude or even restrain.

First, it will accelerate the deterioration in the quality of services supplied by the NHS. Many will remain exemplary, not least because they are provided by doctors, nurses and others still living off the spiritual capital of the medical and nursing professions that has nothing to do with the NHS; but the general standard will decline even more rapidly in the next ten years than it has in the past ten.

Second, the demand for improved quality — which comprises not only clinical treatment and consultation but also attention, waiting, individual attention, choice of doctor, date and place of attention — will increase more rapidly, despite short-period fluctuations.

All this because the much maligned "market forces", no more than the activities of men and women in the ordinary daily business of Wordsworth's "meeting and spending", will find ways round the power of the state. As incomes rise the ordinary man and woman will want better medicine than the state can supply equally (or

rather attempts to supply, because it fails). As medical technique improves, it will be easier to supply services, decently trained staff, to suit individual requirements, circumstances and preferences. As employees become more valuable in industry, the attitude of the NHS hospital — "don't call us, we'll call you" — will be increasingly disrupted by the absence of a key man in a working group, team, task or plant.

The central political decision — whether to repress private medicine in the effort to sustain the NHS or to welcome private medicine as a standard by which to judge the NHS, a competitor to stimulate it, and a source of finance to supplement it — must be taken sooner rather than later. The longer it is evaded the more disturbing it will eventually be, since market forces do not stand still.

Yours faithfully,
ARTHUR SELDON,
The Thatched Cottage,
Goddens Green,
Sevenoaks,
Kent.
February 10.

Trident considerations

From Vice-Admiral Sir Ian McGeech

Sir, You report Mr Keith Speed, MP (February 13), as urging Mr Not to abandon Trident II, which

is a submarine-launched ballistic missile (SLBM) system having a maximum range of about 6,000 miles, in favour of an unspecified number of Tomahawk cruise missiles with a range of barely 2,000 miles, to be "carried in every submarine in the Navy and fitted to surface ships".

There are at least three strong reasons against such a proposal. First, ballistic missiles are inherently more difficult to counter than cruise missiles, to a degree that cannot be compensated for, at a similar cost, by a greater number of cruise missiles.

Secondly, the unique stabilising character of the SLBM system derives from the concealment and mobility of the submarine in the vastness of the oceans. The role, primarily anti-submarine, of the general-purpose submarine, whether nuclear-powered or diesel-electric, requires it to accept risk of detection in the course of its operations, which would be incompatible with the strategic deterrent, retaliatory role.

Thirdly, the notion that the strategic nuclear deterrent arm might credibly be mounted in surface ships, whose every movement may readily be observed, seems to be contrary to common sense.

Yours faithfully,
IAN MCGEECH,
Somerset House, Hedingham,
Halestead,
Essex.
February 15.

Hope for cut in NI charge

From the Director-General of the Confederation of British Industry

Sir, Sir William Clark and Mr Michael Grylls (letter, February 15) appear to agree with the Confederation of British Industry that the cash value of a Budget is to help commerce and industry to get moving. Where we disagree is on the method used.

Pound-for-pound cutting the "infamous" National Insurance surcharge would be the quickest way of helping a very wide cross section of business, by letting companies keep and use their own money. In this way the Government would help investment and therefore job prospects; it would assist exports and promote import substitution.

The gross yield sector by sector of NIS in 1980 was 27.2 per cent from manufacturing, 9.6 per cent from construction, 5.3 per cent from transport and communication, 3.1 per cent from other services — all fields which are now feeling the worst effects of the recession.

A cut in the NI charge would be a central Government (simply a book transfer), from local government (where the rate-support grant could be adjusted), and from the nationalised industries (where the Government could insist that a saving on NIS should be tied to investment).

We are completely in favour of full indexation of tax allowances on the basis of the Lawson-Rooker-Wise amendment, which we have included in our representations to the Chancellor.

The CBI would like to see income tax cuts, but the case for direct assistance to industry is much more pressing and the timing of such cuts would make much better sense next year.

Sir William and Mr Grylls should be aware that the real problem of business just now is low liquidity and low profitability.

The CBI agrees that many people in Britain are concerned about the level of personal taxation but we would submit that they are even more concerned about employment prospects.

It should also be noted that in 1981 real disposable income for persons stood 13 per cent higher than it did four years ago whilst post-tax profitability for companies had fallen 67 per cent in the same period.

Cutting income tax now could start a consumer-led boom sucking in imports with which the weakened business sector would be hard pressed to compete.

The beauty of cutting NIS is that it would immediately help businesses to compete by cutting costs, which CBI members tell us is the paramount obstacle to gaining further overseas business.

Yours sincerely,
TERENCE BECKETT, Director-General,
Confederation of British Industry,
Centre Point,
103 New Oxford Street, WC1.
February 15.

Events in St Lucia

From the High Commissioner for St Lucia

Sir, I have just returned from St Lucia and have been shown a report from your Washington Correspondent which appeared in your newspaper of January 21. The report is a masterpiece of exaggeration and has no substance. The facts are simply these:

Last year, the government of St Lucia, under Mr Allen Louisy, was defeated on its Budget measures. The Prime Minister, Mr Winston Cenac, resigned. The Governor-General, after consultation, asked Mr Winston Cenac to form a government.

On January 11 last Government introduced a Bill in Parliament purporting to remove doubts as to the validity of certain legislation (Ordinance 16 of 1960 of the Laws of St Lucia) concerning the holding of an office of profit under the Crown. The Bill further sought to extend the period during which a minister, after ceasing to hold office, is required by law to surrender the advance on his return home.

The Opposition considered the Bill a blatant attempt at legalising corrupt practices. There was uproar in the House and the Bill was not resumed.

So incensed was the general public that the Chamber of Commerce, which had repeatedly complained to Government on previous occasions of mismanagement of the affairs of state, instructed its members to close their premises and keep them closed until Government resigned.

The trade unions approached the government to withdraw the Bill. When the Government in fact agreed to withdraw the Bill, the unions went further and demanded Government's resignation. A part of the Civil Service then decided to come out on strike.

The strike lasted for about five days before the Archbishop of St Lucia and his aide, Father Anthony, offered their good offices. The private sector and the political parties accepted the offer. They agreed that a former junior minister, Mr Brian Michael Pilgrim, would form an interim Government. The agreement was so hedged with constitutional provisions that it made it impossible for the Prime Minister to conceive of any idea of permanence in office. Parliament was dissolved on February 6. In accordance with the Constitution general elections will follow within 90 days of dissolution.

I think you would admit that this cannot be bettered for constitutional propriety.

Yours faithfully,
CLAUDIUS C. THOMAS,
Eastern Caribbean Commission,
10 Kensington Court, W8.
February 4.

A log jam in land tenancies

From Sir Charles Mott-Radcliffe

Sir, In your timely leading article "From generation to generation" (February 9) you question the validity of Mr Peter Walker's reluctance to introduce amending legislation to the 1976 Inheritance of Tenancies Act (which gave security of tenure to two further generations after the death of the sitting tenant) lest it should be labelled "a landlord's charter". It would be difficult to think of a more complete misnomer. Indeed, the principal beneficiaries under any such Bill would not be the landlord but the would-be tenant, which is why the Tenant Farmers' Association and the Young Farmers are in favour of it.

The present situation is singularly unhealthy, for tenanted land is virtually a closed shop, confined to those fortunate enough to be able to claim the inheritance of a farm tenancy on their father's death. It is as though every tenant farm had a notice on its gate, "One way traffic only, no entry for newcomers".

Even the second son of the deceased tenant has little chance of finding a farm to rent if his elder brother has successfully claimed the tenancy on his father's death. Very few, if any, landowners are prepared to lock up a farm tenancy which might last for 60 years, as the drop of one million acres of tenanted land (quoted in your editorial) since 1976 shows.

Unless an attempt is made to remove this log jam very soon all kinds of alternative schemes to the landlord and tenant system will go ahead, leaving future arguments about the tenanted sector more or less academic. Legislation on agricultural tenancies is only practical so long as there is some tenanted land to legislate about.

I hope that Mr Peter Walker will not go down in history as the Conservative Minister of Agriculture who put the final nail in the coffin of the landlord and tenant system.

Yours faithfully,
CHARLES MOTT-RADCLIFFE,
Barnham Hall,
Matlock,
Norwich.
February 11.

From Mr Aidan Harrison

Sir, I refer to your editorial (Feb 9) on agricultural tenancies.

The number of farms let to tenants has been in decline for 30 years due to the profitability of postwar farming and the penal taxation of landlords' capital and rental income.

Social sciences cuts

From Dr E. A. Shinebourne and Mr J. C. R. Lincoln

Sir, We have been concerned to read reports of the Government's plans to cut back in social science research. Funded by the Social Science Research Council, a team of sociologists from Goldsmiths' College, London, have been investigating parents' responses to the diagnosis of congenital heart disease in their child and to the subsequent referral to a children's heart unit. The study's results have important and practical lessons for the nursing and medical teams looking after the children as well as for the families.

Does the family understand, cope with (or not) this situation? The majority of congenital heart anomalies can be corrected but sometimes only palliation is possible and a small number of conditions are inoperable. Most children survive surgery but inevitably some die or have residual disability. How can the families best be helped to adapt to the situation?

SDP aspirations

From Mr Gratton Endicott

Sir, It is estimated that some 60 per cent of the members of the SDP are people like myself who have no previous allegiance to any political party. We stayed away, not from lack of interest but because we did not like what we saw as bickering and division of the politics of confrontation and clique. We have come forward now because we believe the SDP offers a new climate, a new scene, and we will be determined to make the most of it.

Therefore, there is no room for ungenerous spirits; for antiquated attitudes of suspicion in our ranks. There is no room for such attitudes in our dealings with others. This party has a job to do. It must get on with it and show the electorate that it does indeed have the strength and the will to lift itself above the pettiness which people like me have abhorred the past.

The hope of the party and of the British people is that a party containing these new elements is bound by the very force of its

Right objectives

From Mr David Irving

Sir, I was shown the two letters referring to Focus on my return from Washington yesterday. Alexander Chancellor (February 3) does clear up the mystery of why our advertisements inviting branch secretaries to sell us their mailing lists have not appeared in his Spectator. We encountered the same censorship at the other end of the political spectrum — the Cambridge university newspaper Stop Press declined a whole-page advertisement for our Focus Point, unseen, but at least informed us by less roundabout means than a letter to The Times! May I diffidently take issue

Case for Belvoir coalfield

From the President of the National Union of Mineworkers

Sir, The article by Ronald Butt in The Times of February 11 is heavily biased against the development of the north-east Leicestershire coalfield and one-sided in the choice of views quoted.

The inspector and his assessors at the public inquiry did consider "a huge weight of evidence", but Mr Butt leaves the impression that most of it came from objectors. In fact, those who spoke in favour of the development included the Department of Energy, the European Community's Energy Commission and the Central Electricity Generating Board (CEGB). The two county councils involved, Nottinghamshire and Leicestershire, are no longer opposed to the development.

Having heard the evidence from all parties, expressed over six months of public hearings, the inspector, in his unpublished report, appears to have recommended that planning permission should be given.

Your article claims that 4,000 properties would be at risk because of subsidence damage. In fact, expert evidence based on experience in other coalfields suggests that two-thirds of all the properties would not be affected at all and only about 100 would suffer anything more than slight damage. None of the potential housing sites mentioned at the inquiry is in the Vale of Belvoir.

Indeed, only one of the proposed three mine sites is in the Vale of Belvoir. That name was given to the coalfield by the objectors, for emotive and campaign reasons.

There would be no permanent loss of agricultural land as a result of waste disposal from the mines and only 3 per cent of the total land area of the coalfield would be occupied by the mine sites.

The inquiry had evidence from the CEGB that the coal would be needed by their local power stations. It is inevitable that which is inevitably going to be lost through the exhaustion of reserves at pits in Leicestershire and Nottinghamshire.

If this country is going to recover permanently from the current recession caused by the huge rise in oil prices since 1974, we must surely develop the assets that nature has given us. And there is no better example of that wealth than the new Leicestershire coalfield.

Yours faithfully,
JOE GORMLEY, President,
National Union of Mineworkers,
222 Euston Road, NW1.
February 16.

Taxing bank profits

From the Vice-Chairman of Barclays Bank Limited

Sir, It was widely reported in today's press (February 11) that Mr Jack Straw, the Treasury spokesman, has said in a budget memorandum to the Chancellor that the windfall profits tax on the banks should be reviewed this year. It has apparently escaped his notice that any bank has recently found it necessary to augment its capital resources by raising £100m capital loan stock which, coincidentally, approximates to the amount of last year's windfall profits tax.

Nineteen eighty-one saw considerable growth in British banks' balance sheets, perhaps as much as 30 per cent, a not insignificant part of this growth having occurred by the fall of the value of the pound against the dollar. If the banks are to retain their capital ratios at levels required by regulatory authorities and to satisfy the criteria of rating agencies to permit them to continue to satisfy the needs of British industry and to fulfil their role in the re-cycling of funds, it is imperative that they weaken them by depriving them of the very material on which they rely is surely a disservice to the community as a whole.

I would suggest that Mr Straw should look at the banks' needs for profits and the need to retain a high level of those profits in the business in order to fulfil their vital role rather than focus his attention on a meaningless figure of pre-tax, pre-minorities, pre-windfall profits tax profits suggested by the leading brokers.

It is perhaps paradoxical that the shares of this bank, often described as the most profitable in the world, trade at about 60 per cent of their worth in real terms 15 years ago.

Yours faithfully,
F. R. DOLLING,
Barclays Bank Limited,
54 Lombard Street, EC3.
February 11.

Shades of B. Levin

From Mr F. B. Toombs

Sir, Thank you for the warning (February 13). I have an eye shield in the car that I bought before the war for one and sixpence at Austin Read's in Regent Street. It is most useful when driving into the sun. So, if ever I have the pleasure of an anticipated visit by Mr Levin, I would lock the garage; but I hope that won't put him off.

How nice it was of him to remind us of dear Tommy Handley; we hope we may also safely say to you, Sir,

T. F. N.
FRANCIS TOOMBS,
South Green,
Kirtlington,
Oxford.
February 14.

with Mr Chancellor's description of me? Some call me "mild", he calls me "extremist"; perhaps radical dissent would be fairer words, particularly since I do not believe Mr Chancellor has met me or read our Focus Point.

Our embryonic group has never published any statement of objectives. Indeed our journal makes it plain that Focus policies will be formulated after rational consideration, and not before. Can he know more about them than I do?

Yours faithfully,
DAVID IRVING,
Chairman, Focus Policy Group,
31 Duke Street,
Mayfair, W1.
February 10.

President Vigdis Finnbogadóttir begins an official visit to Britain today. This report looks at a land associated in Britain with cod wars, chess contests and, wrongly, with a polar climate. Iceland, though deeply conscious of its past, has changed faster in the last 40 years than almost any other nation in Europe

Iceland

A big little country

A not unsympathetic observer remarked that the trouble with Iceland was that this nation of 230,000, living on a virtually uninhabitable island in the north Atlantic and until recently overwhelmingly dependent on catching fish, behaved as if the population was 20 million.

Iceland has all the features of a much larger state: a diplomatic service, a national airline (itself a merger between two companies), a university teaching such expensive subjects as medicine and engineering, and a television service covering the whole country. There is a National Theatre, a symphony orchestra and even a budding film industry. An opera company was recently launched in a converted cinema, and ballet is also performed.

Even Parliament (the Althing) with a total of 60 seats, has two houses, a legacy of the 1840s, which critics today argue should be switched to a single chamber. Inside that Parliament sit four parties, none of which has managed to secure an overall majority in a general election since 1931, when Iceland was still joined in a union with Denmark. The need to forge a working coalition every time the country goes to the polls makes for a high level of political intensity.

After the latest elections in December, 1979, it took two months, an unusually long time by Icelandic standards, to cobble together a government.

What happened then has left a painful legacy. When none of the party chairmen was able to form an administration, Dr. Gunnar Thoroddsen, supported by a small group from the Independence Party, went into coalition with the Progressives, whose roots lie in the important cooperative movement, and the People's Alliance.

These seemed to be strange bedfellows, and Icelanders are still arguing about what happened. The Independence Party did not formally split, but 17 of its 22 MPs are in opposition. Seating arrangements in the Althing present no problem. Members' places are drawn by lots, irrespective of party, at the start of a session.

Amazingly, both government and opposition MPs attend meetings of the Independence Party, although separate caucuses are also held. Party members who tried to force a clean break at the last annual conference were unsuccessful.

A motion to expel the Prime Minister and his supporters was withdrawn. Another, less extreme way,



Supporters greeting President Vigdis Finnbogadóttir at her home after the announcement of her election victory in 1980.

Lady with a love of peace

The world is getting used to the idea of women leading governments. Israel, India, Sri Lanka, Portugal and Norway, as well as Britain, have all had female Prime Ministers. But President Vigdis Finnbogadóttir of Iceland, who begins an official visit to Britain today, is the first woman to be democratically elected as head of state.

She has never been a member of a political party. "I would never be able to accept the rules", she told *The Times* in Reykjavik earlier this month. She disclaims any long-term ambition for the office. When it was first suggested to her in 1979 that she should run for the presidency, "I thought it was a joke. But you never know how people see you."

A late entrant in the 1980 presidential race against three male candidates, Vigdis Finnbogadóttir was taken to task by the Right for having in the past opposed the American-manned Nato base at Keflavik, outside the capital.

But her office precludes any involvement in party political issues, although the presidency itself is not purely ceremonial. The president has a right to veto any parliamentary Bill, but this sanction can only come into effect if upheld by a referendum. Such a presidential prerogative has never been exercised since Iceland gained its independence from Denmark 38 years ago.

She described the role of president as being that of a kind of midwife to the political parties who have to agree on forming a government after every Icelandic general election. Not since the 1931 poll has a single party won a majority of seats.

President Vigdis confines herself to saying that in her advocacy of peace she is a realist and is aware that the world is divided into different camps. But she was preoccupied with the danger of people's attention drifting away from the necessity for peace. "Think about it from day to day, that's the main thing," she said.

Where she feels no inhibitions is an arena into which British candidates for high office would hesitate to venture. To have intellectual interests is as natural in Iceland as going fishing. "I believe I was elected because I talked culture, culture and history," she said. "This society, as an industrialised society, is so young. All the banks and big

What is an Icelander?

Magnus Magnusson discusses

his countrymen

So warm once the thaw begins

There is a wry joke current in Iceland, and much appreciated by the Icelanders themselves, about the refugee who arrives in Iceland and asks for asylum there.

"Why do you need asylum?" he is asked by the Immigration people. "Because", he replies, "anyone who actually wants to live in Iceland must be a lunatic."

It's not really as bad as that. But it has never been an easy country to inhabit. Indeed, about 70 per cent of it is literally uninhabitable — the great central plateau of ice-caps and black volcanic deserts. This helps to explain why, in a country that is larger than Ireland, there are only some 230,000 inhabitants, almost half of whom live in the conurbation of Reykjavik, the capital, in the south west.

So who are these 230,000 Icelanders? Well, they certainly are not Eskimos living in igloos. Their standard of living is extremely high. They are of Nordic stock, part of Scandinavia culturally if not geographically. Their language is the basic Norse tongue that was spoken throughout Scandinavia during the Viking Age.

But whereas Norwegian and Swedish and Danish have changed considerably down the centuries, the language of Iceland has remained relatively pure, so that Icelanders can read the medieval sagas as easily as English-speaking peoples can read Shakespeare. And Icelanders do a great deal of reading — and writing. They buy more books per head of population than any other nation in the world and out of our profusion of poets, playwrights, and novelists, they have produced a Nobel prizewinner in Halldor Laxness.

Historically, Iceland was first discovered and settled, chiefly from south-western Norway, in the second half of the ninth century AD, which makes it the youngest country in Europe. It was totally uninhabited then, and always had been, apart from a few Irish hermit-monks who had found their way there a few years earlier in their frail leather-built curraachs.

It was one of the first of those Viking discoverers who bestowed on the country its somewhat misleading name. He was a Norwegian Viking called Floki. He had heard rumours of this remote country just below the Arctic Circle, and determined to settle there with his family and friends. Off he set, and arrived in time to enjoy a glorious summer of sun, shine, and abundance. Alas! So beguiling was the weather that he made no provision for winter fodder for his livestock. As luck would have it, the winter that followed was a hard one, and the spring was late, and cold. All the livestock died. Floki decided to abandon the place; as he

left, he saw drift-ice from the Arctic still choking the northern fjords, and felt disgruntled enough to label (and label) the country with the name it has had ever since: Iceland.

Formally, the climate is described by meteorologists as "cold-temperate oceanic", or "temperate sub-boreal", rather than "Arctic". This is because the south and west coasts are warmed by a branch of the Gulf Stream, while the prevailing south-westerly winds bring moist, warm air that tends to make the weather comparatively mild and rainy. In the north, where the coast almost reaches the Arctic circle, polar winds, and sea-currents make for a much colder, drier climate.

It tends to make travel hazardous in winter. But to my mind the most difficult thing to cope with is not the cold, but the lack of daylight. From the middle of November to the end of January, it doesn't get light until 10 o'clock in the morning, and it gets dark again by three o'clock in the afternoon. And that can become very demoralizing.

At the other end of the extreme, it's the midnight sun at midsummer, when the sun slides along the northern horizon and there is no darkness at night. It tends to make the Icelanders somewhat dour and torpid in the winter when they go into a kind of spiritual semi-hibernation, and by contrast, full of almost manic activity in the summer months, when no-one ever seems to sleep at all.

In general, the Icelanders, like all northerners tend to be reserved, and undemonstrative at first meeting. But this, too, is as misleading as the name. As soon as they thaw out, they show themselves to be exceptionally warm and hospitable, passionately interested in the outside world.

It is contrasts and paradoxes of behaviour that one notices, just as the contrast between the ice caps and the fiery volcanoes of the interior is so marked. They are kindly people, but when it comes to politics (especially politics) they can be murderously unkind to each other. They love, almost reverently, almost wild in the valleys, but have little compunction about eating them as well. They are peasant stock but feel (and behave) like princes. They are cosmopolitans rooted in provincialism. They are fiercely patriotic, and belligerently pacifist. They resolutely refuse to have any armed forces, yet they took to the British Navy in three cod wars and won. They revel in their past, the golden age of the saga tales of Viking heroes, but are totally committed to a very fashionable present. They are ardent republicans who adore Royalty.

All this, has a great deal to do with their own history. The Icelandic nation was founded as a republic, a commonwealth without kingship. Its Parliament, the Althing, was established in 930 AD — the oldest surviving Parliament in the world. The early Icelanders revered the concept of law, yet lawlessness and disorder was rife. They lost their independence in 1262 to Norway but continue to feel independent. They underwent centuries of colonial oppression from Denmark. They suffered appalling privations from bad weather, and a series of natural catastrophes, famine, volcanic eruptions, intense cold yet when the Danes proposed to evacuate the surviving population at the end of the 18th century, when the country was at its lowest ebb, it was indignantly refused.

Survival. It became a way of life. The worse conditions became, the more stubbornly the Icelanders clung to their homeland. Love of their country was a constant theme in their poetry, pride in their past a constant solace.

They came to cherish the very volcanoes that so often threatened to destroy them, learned not to fear them, and eventually to tame them.

Nothing can be more extraordinary than the way in which the inhabitants of the Westmann Islands, just off the south coast of Iceland, coped with "their" volcano when it burst into life during the night of January 22/23 1973, right on the threshold of the fishing town on the island of Heimaey. By dawn, all the 5,000 inhabitants had been evacuated safely to the mainland — and a long, grim battle against the volcano itself had begun.

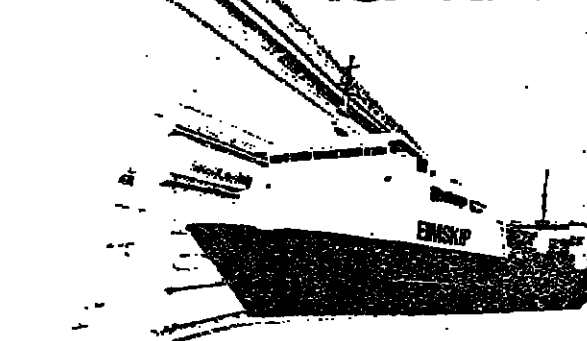
Remorselessly, day by day, the town was gradually engulfed by burning ashes or creeping lava. And just as remorselessly, the squads of volunteers fought back. Week after week, they pumped countless millions of gallons of sea-water on the crawling tongue of lava, trying to cool it sufficiently to form a barrier-crust that would deflect its course away from the harbour. And in the end, they won. By the time the re-eruption came to an end, five months later, the lava had spent itself on the harbour approaches, not the precious harbour itself — and Heimaey was left with a splendid new breakwater!

Heimaey today is once again a thriving, bustling

continued on next page

continued on page III

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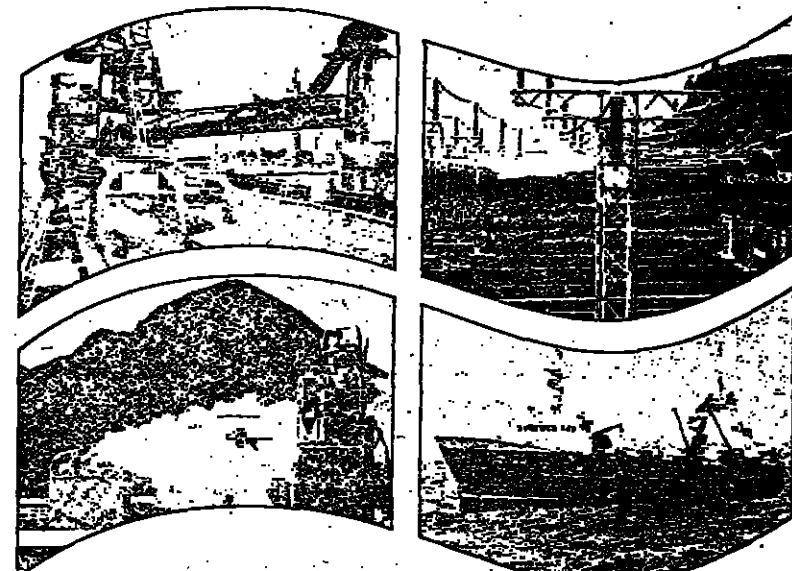
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ICELAND

Magnus Magnusson
continued from page one

fishing port. The people who had been evacuated have returned and rebuilt their town. The radiant heat from the lava is being used to boil water for a central heating system for every new house. It was the first time in history that man had fought a volcano and won.

Heimae is both symbol and symptom of the resilience that kept Iceland alive during the difficult centuries. That very act of survival has made the Icelanders more intensely aware of their country than anything else could. It forged the patriotism that informed the independence movement that was crowned in 1944 when Iceland once again became an independent republic, just as the spectacular contrasts of Icelandic nature have helped to create the contrasts of the Icelanders' nature.

There could be another factor to be taken into account, however. Although the first settlers of Iceland were Nordic, many of them brought with them wives or concubines from Ireland, if they happened to stop off there on the way. Some scholars think there may have been as much as 40 per cent Celtic blood in that early settlement stock. Perhaps it is the Irish connexion that has helped to make the Icelanders who they are.



Thingvellir: the lava arena where the open-air Icelandic Parliament (the Althing) first met in 930, and where Iceland was proclaimed an independent republic in 1944. The modern Althing meets indoors in the centre of Reykjavik.

Seventy two thousand foreign visitors came to Iceland last year. Some were on brief transatlantic stopovers. Others took time to explore the country. Dick Phillips describes reminders of an earlier age

Where even the wheel arrived late

Two aspects of Iceland will strike the visitor with an impact paralleled in few other countries. The first is the twin feature of geology and scenery. These are so closely related that even the most casual observer cannot pass without learning something of glaciology, volcanology, and the tangle of "ologies" that make up geomorphology.

Within a small area, quite different circumstances have produced, in very recent times, totally different landscapes, the formation processes continuing at far above their expected rate, before our eyes today. Iceland is God's gift to David Bellamy, and to anyone seeking to explain to others, or see for himself, the secrets — not secret in Iceland — behind the nature of our earth and our environment.

The second aspect is less tangible, less easy to label, but every traveller notices that between the ports and the interior deserts, habitation is almost entirely in isolated farmhouses, each building standing square in its own home-field, remote from its neighbours.

In the last 80 years townships have grown up around the harbours where the old trading stations formerly stood, also in isolation, and there is a handful of inland "towns", even more recent in growth, at natural commercial and communications centres. Selfless, by far the largest, dates from the late 1920s and 40 years ago had still fewer than 400 people.

We can talk of up-country Iceland, but very recently this was the Iceland of virtually the entire population. Each farm had to be built where there was naturally drained land, and access to extensive "out-hay" — uncultivated grass which before the days of wire fencing was laboriously mown, turned by hand, and brought home on pack-horses — for the winter feed on which the household's survival on its own farm depended.

Older people living today were born into this world of undrained land, unfenced fields and desperately primitive communications. The modern road building pro-

gramme is always dated from the first vehicular road bridge, which in 1891 enabled that revolutionary new vehicle, the one-axled horse-drawn cart, to reach southern Iceland from the capital. Before that, the government roads department's job was not so much to build roads, as to put up cairns to show where the roads would have been if they had existed at all. Many of these lines of beautifully built cairns still mark the old routes.

The oldest people may still remember their first sight of the ultra-modern — as it seemed — horse-drawn cart which in most places came and disappeared in a little over 50 years — just one aspect of the total transport revolution, pack-horse to jet aircraft, which occurred in a single lifetime, and which is itself only one of many facets of the transformation of living standards in the same period.

In my own valley, the last horse-drawn cart went out of use in 1960. Pack-horses, useful in more specialized circumstances, were regularly used to take out provisions for the autumn sheep gathering in the uninhabited interior up to 1967.

In the last 30 years, local museums have been established in most counties. The custodians are proud to show how old their exhibits are, but what astonishes the foreigner is their newness.

Many, perhaps most, of the items displayed first adopted by a highly cultivated people for their incredibly hard subsistence economy, were still in regular use on some farms into the 1950s, and in isolated cases much later. It is difficult for us to enter into the late nineteenth and early twentieth century world where these implements, fashioned from driftwood, bone, horse-hair or lyme-grass, were the basic materials of household and farming existence.

There is a strange contrast between the tenacity of the nation over the centuries and the lack of individual innovation. Not only was the wheel decidedly late, no one ever thought, for example, to build a stone arch. Jon Jonsson of Vogar, a local genius who lived by the lake of Myvatn in the 1850s and 1860s, was in time to be the first man in his area to learn to swim; the first to intro-

duce instrumental music; the first to learn a language other than Icelandic, Danish or Latin; and the first to decorate his living room. He was the second in his area to plant potatoes, almost 100 years after their introduction to Iceland, and was a pioneer in learning joinery and building stone walls to control his stock.

Yet his was a far from lethargic community; his diary also tells of his neighbours forming a reading society, examining the advantages of emigration to America, and subscribing to help farmers in another part of the country who had had to slaughter their flocks to prevent the spread of disease.

Many of the nineteenth century travellers to Iceland thought their experiences remarkable enough to warrant writing books about them. Some were quite notable people, such as W. J. Hooker of Kew, Sir Henry Holland, Lord Dufferin, Sabine Baring-Gould, Anthony Trollope, William Morris, Viscount Bryce, Sir Richard Burton, W. G. Collingwood and, coming to this century, W. H. Auden and Louis MacNeice.

The value of their writings varies a lot. Some wrote of nothing but their personal hardships, and many jumped to false conclusions from superficial evidence; but most are well worth reading for glimpses into life at or just before the period that can still be remembered.

Details may be in error. But when we read of the family at Hals, 12 people living in a turf-walled room 12 feet by eight, and having only one cooking pot — and that had a hole in it — we cannot help admiring a nation that survived many generations under such conditions, to rise to one of the highest standards of living in Europe today.

Although most of the population has chosen to give up the hard life that is inevitable for farmers in the Icelandic climate, the farms, now with more machinery and fewer people, remain in testimony of the way of life that brought Iceland through the centuries since the Settlement. And still, in the 1980s, the discerning traveller will find traces of the old, hard conditions from which the modern prosperity has so recently arisen.



The partially frozen Gullfoss (Golden Falls) waterfall in southern Iceland.

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ICELAND

Peace lady

continued from page 1

institutions date from this century. I am of the generation that has worked with these corporations, and this has required so much time that there is less time for passing on all the legends of the sagas. We don't have any castles, we have no cathedrals, but we have an art that is passed on through a tremendous lot of stories and poetry."

President Vigdis, who is 51, speaks of herself as someone capable of bridging the generations. She was brought up with the tradition of the sagas passed on to her by her parents and grandparents, has experienced the rise of post-war prosperity, the scattering of families and the advent of television.

She says that the young, old people, farmers, fishermen and intellectuals voted for her. In Iceland, farmers' wives had great responsibilities, and fishermen were used to leaving their women in charge when they were away at sea. But she readily concedes that many women voted against her, otherwise she would have carried much more than 33.8 per cent of the poll.

This was the first time that a woman had come forward as a presidential candidate. In the Middle Ages Icelandic women had equal rights to divorce and an automatic half share of the property if a marriage was dissolved.

But today only three of the 60 MPs sitting in the Icelandic Parliament (the Althing) are women, and it is said to be difficult to persuade them to stand. The president said she thought that many women had a preconceived idea that their head of state should be a man with a wife at his side.

Vigdis Finnbogadóttir was married early to a former schoolfriend and divorced 20 years ago. She has a young adopted daughter, Astridur. This is another sign of a lack of convention for this was one of the first cases in the

country of a child being adopted by a single person.

President Vigdis believes that Icelandic girls should concentrate on reaching the same educational standards as men. When they do, "equality will come automatically."

She studied in France, Denmark and Sweden as well as at the University of Iceland. The subjects covered during these years included French and English, philosophy and the history of drama. She has taught Icelanders French both in school and through television, and lectured on French drama at the university. Like many Icelanders, she has done two jobs at the same time, in her case teaching and working first at the National Theatre and then at the Reykjavik Theatre, where she was the director from 1972 until 1980.

For a number of years, she has been involved in Nordic cultural affairs, and in September she is to open the "Scandinavia Today" exhibition in Washington, New York and Minneapolis at the invitation of the other Nordic heads of state.

"I always project Scandinavia as much as possible, especially Icelandic culture. I have travelled relatively often to France and Britain, and it's extremely difficult to find literature and art from the Scandinavian countries. Ibsen is always on the stage in Britain, but nothing has been translated since Ibsen and Strindberg."

"My ideal would be to have a special fund for scholarships for people from Britain, France, Germany and other nations who could spend a year or two in one of the Scandinavian countries as a preparation for specialising in translating literature." Her suggestion was that the costs of such a scheme could be split equally between the student's home and host country.

Denis Taylor

President Vigdis speaking at her inauguration in Parliament on August 1, 1980



The snags in netting the rich harvest from the sea

Strange as it may seem, comparatively few Icelanders are fishermen. There are many more jobs in construction and manufacturing, which includes the building of small trawlers and the making of fishing equipment, clothing and furniture, and as many in farming and the service industries.

About 5,000 men at sea are backed up by another 9,000 employees in fish processing. Modernization means that even the number of fishermen is too high. Manning on the trawlers was an element in the pay strikes by Icelandic fishermen in December and January.

With the extensive updating of the trawler fleet during the 1970s, the 90 vessels now operating from Icelandic ports are too many. Even the extension of territorial limits to 200 miles, after more than 20 years of skirmishing with Britain in the cod wars had not provided the Icelanders with an untold harvest.

"We are approaching the maximum sustainable yield of cod stocks", Mr Steingrímur Hermannsson, the Minister for Fisheries, said in Reykjavik. In fact he thought this could almost be said to apply to demersal species in general. "We are getting about 670,000 tonnes a year of demersal fish, including about 450,000 tonnes of cod. There can be unpredictability about certain types of fish. In 1967, for example, the herring stock collapsed. Now it looks as if the capelin stock is much smaller than expected. The authorities have had to allow the 52 boats which fish exclusively for capelin to catch some cod."

Restrictions on cod fishing include a ban for 150 days in the year, although trawlers may bring in other varieties such as haddock. Skippers are permitted some leeway on those days. But if they bring in more than a certain percentage of cod, this is liable to be confiscated by the inspectors who operate in all Icelandic harbours.

Iceland does not have fish markets like those familiar in British ports. Prices are determined through negotiations between buyers and sellers four times a year. When a catch is landed it is weighed at an official weighing station.

America is the chief market for Icelandic exports, mainly frozen fish. All sales

to the United States were worth \$128.9m in the first nine months of last year. There are three Icelandic fish processing plants in the eastern United States.

Frozen fish fillets (valued at \$27,901,000 in the same period) headed the list of exports to the United Kingdom, followed in value by capelin oil (\$12,206,000). This, the next most lucrative

fish product, came after primary aluminium and aluminium alloys. Next in value came fresh fish and fish on ice (\$7,242,000).

After the intermittent tensions of the past three decades, relations between Iceland and Britain are good. The British market has been historically of the greatest importance for Icelandic fish since the fourteenth century,

and sales in the United Kingdom of Icelandic cod and haddock are increasing.

Portugal is Iceland's most important customer in the European Free Trade Area (Efta). Salted cod sales to the Portuguese in the first three quarters of 1981 came to \$37m. Nigerian and West Germany, as well as the Soviet Union, are other important markets. D.T.

Tom Hawley



Landing the catch at Heimaey, the community which was reborn after the great volcanic eruption of 1973

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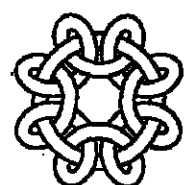
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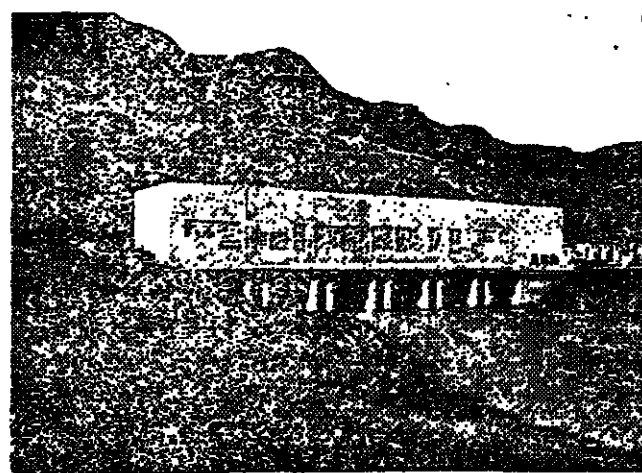
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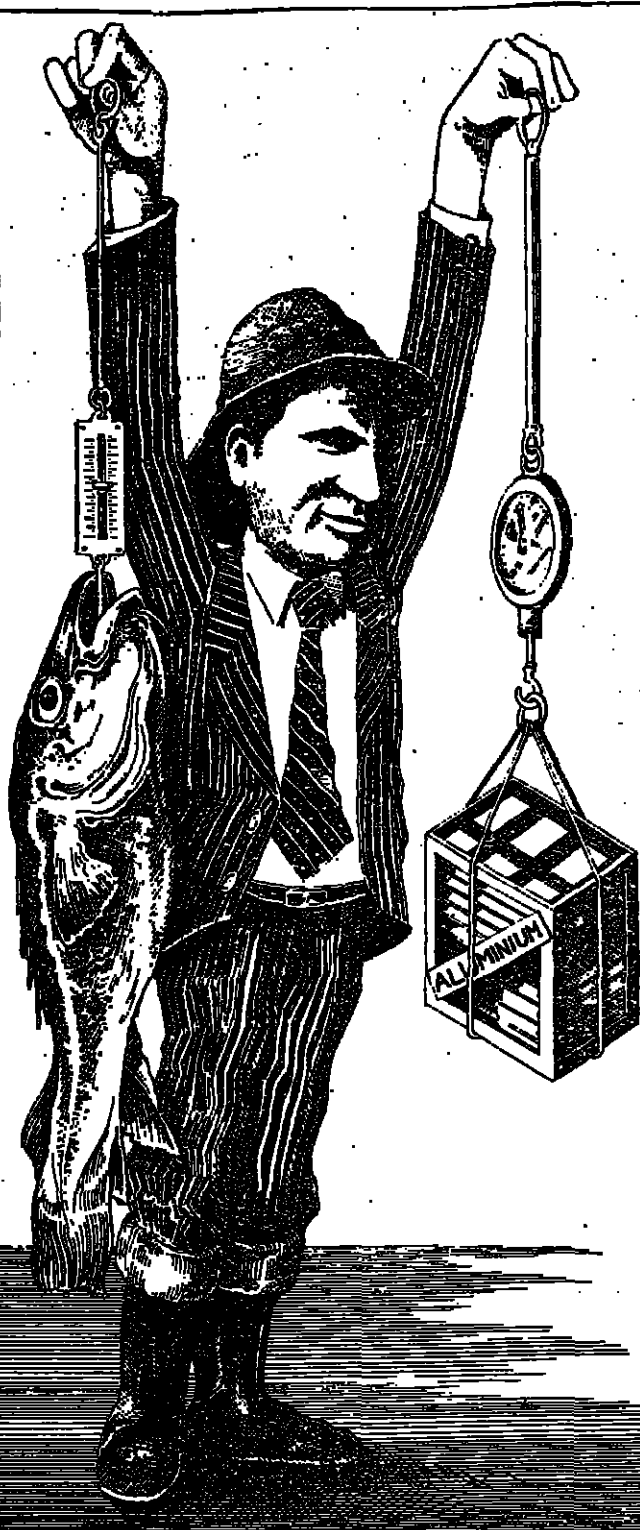
Landsvirkjun (The National Power Company) is a power development company established in 1965 by the Republic of Iceland and the City of Reykjavík. Landsvirkjun is supplying about 75% of the population in Iceland with electrical power besides being the main supplier of power to industrial development in Iceland. At the outset Landsvirkjun took over the Hydro Power Stations at Sog (89 MW) and completed in 1972 the Burfell Hydro Power Station (210 MW), in 1978 the Sigalda Hydro Power Station (150 MW), and is presently completing the Hrauneyjafoss Hydroelectric Project (210 MW) and new project sites are constantly being studied by the company.

Landsvirkjun has since 1969 been supplying power to the 80,000 ton aluminium smelter at Straumsvík in Iceland owned by the Icelandic Aluminium Company Ltd., a subsidiary of Alusuisse, Switzerland, and since April 1979 to the 50,000 ton ferro-silicon plant owned by Icelandic Alloys Ltd., which is 55% owned by the Government of Iceland and 45% by Elkem Spigerverket a/s Norway.

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In the country where high inflation doesn't seem to hurt



Stephen Johnson

At first sight Iceland seems to defy the laws of economic gravity. For years inflation has been far above anywhere else in Europe and until now nothing terrible has happened. It is almost as if Iceland is a test case to confound the monetarists.

Fewer predictions now look more outdated than the present Government's goal, set when it took office two years ago of bringing the 1982 inflation rate down to a level similar to those in Iceland's main trading partners.

Ambitions now centre on getting it down to between 30 and 35 per cent in the calendar year 1982, a significant improvement on the pattern of the previous year. In the 12 months ending April 30, 1980, the cost of living had risen by more than 62 per cent, a national record.

Icelanders are not easily alarmed. They have coped with the sort of inflation levels which some British pundits in the early and mid-1970s claimed automatically meant the death of democracy in any society.

Soaring inflation has been accompanied by almost full employment and a steady increase in affluence. If this is still below that found elsewhere in Scandinavia, Iceland has achieved a higher gnp per capita (more than \$12,000) than Britain, and good levels of health, welfare and education. Life expectancy is the highest in the world. Democracy has certainly not died. The official unemployment figure runs below 0.5 per cent. The late 1970s saw an annual net emigration of about 700, mainly to Norway, Sweden and Denmark where Icelanders do not require work permits.

There should, therefore, be little surprise that Icelanders have not wholeheartedly embraced the monetarist doctrine that inflation is a bad thing, and not only a bad thing but an evil from which countless economic and social disasters are bound to flow.

Politicians, bankers and businessmen may be convinced that inflation must be tackled more vigorously. But apart from the lack of public panic about this issue, their reason for such a move is limited by two factors. There is the political unacceptability of any significant unemployment on a society of only 230,000 people, which would provoke damaging levels of emigration.

Considerable apprehension

is aroused by the idea of any sharply deflationary policy. The fear is that this would either bring unemployment or reduce living standards. Against this is the public assumption that there is no overwhelming evidence that high inflation has hurt people very much.

The second key factor is

the entrenched tradition of wage indexation, which helps to perpetuate high inflation. Every three months pay levels are automatically adjusted in line with the cost of living, thus cushioning individual workers against the effects of price rises and ensuring more inflation in the pipeline. Pensions are

also largely index-linked. Alongside inflation, Iceland has therefore managed to introduce an element of predictability into incomes. Unions also seek wage increases for their members on top of the basic indexation, as a natural response if purchasing power is to be improved in a highly inflationary economy.

The outsider is told that the tone of wage bargaining is much less bitter than in Britain because Iceland is far less class conscious, but clearly wage indexation does not entirely take the sting out of negotiations. Last December the fishermen went on strike to secure higher prices from the processors, and these were conceded in a government package last month.

Although attempts have been made to take steam out of the indexation mechanism, the Progressive Party, one of the three in the government coalition, believes that to bring inflation down indexation should be limited to such essential items as the cost of electricity, food and clothing. The Social Democrats, who are in opposition, want to give priority to escaping from what they see as the vicious circle of wages and prices. They would protect wage earners against loss of purchasing power by lowering income tax.

Iceland's high inflation began during the Second World War, the period which saw the beginning of the transition from relative poverty by the standards of the rest of Western Europe to today's prosperity.

For years the inflation rate hovered around the 10 per cent mark at a time when single digit figures were the norm elsewhere. The spiral took off in the 1970s, and inflation has been in the 40 to 60 per cent band for several years.

In the past couple of years, interest rates have increasingly been managed in line with inflation. Bank borrowing and lending have been restrained, and savings are rising as a proportion of gnp. "We are gradually batten down the hatches", I was told at the Central Bank.

"We have been able to live with this inflation because we have kept our exports competitive through devaluation. The policy has been to keep the exchange rate as stable as possible and have relatively small devaluations", one banker said.

The National Bank of Iceland concluded in an analysis late last year after a

formal devaluation of the krona by 6.5 per cent, the third during 1981, that "instead of a continuous adjustment of the rate of exchange to inflation differentials, formal devaluations at rather frequent intervals are preferred by the present Government".

High export prices for fish and fish products have protected Iceland so far from the harsh economic winds blowing in the outside world, but the limits of this strategy are increasingly perceived in Reykjavík.

"Fishing has to be our main production and fish products will be the main export of Iceland. But we have to diversify", Dr Gunnar Thoroddsen, the Prime Minister, told *The Times*. Increasing emphasis is being placed on Iceland's energy resources, both as a substitute for imported oil, most of which is bought from the Soviet Union at unpredictable Rotterdam spot market prices, and for processing imported raw materials and reexporting them.

The unit cost of producing aluminium with hydro-electric power makes it worthwhile to import the ore all

the way from Australia. Aluminium exports from Iceland to the United Kingdom in the first nine months of 1981 were worth \$13,472,000 almost half the value of the biggest single item, frozen fish fillets (\$27,941,000).

Ferro-silicon sales to Britain in the same period (\$2,323,000) were almost as much as frozen herring shipments (\$2,447,000).

Fish products made up 30 per cent of Iceland's exports in 1970. That proportion has now dropped to 75 per cent. So a gradual shift is taking place, even although Iceland is only using 11 per cent of its estimated hydro-electric resources.

Mr Steingrinn Hermannsson, Minister of Fisheries, has been sounding a warning about the need for a greater spread of economic activity, particularly the need to develop power-intensive industries. "We shall not improve national income with present fish stocks," he said. "I am not sure that people realize we are at a crossroads."

Denis Taylor

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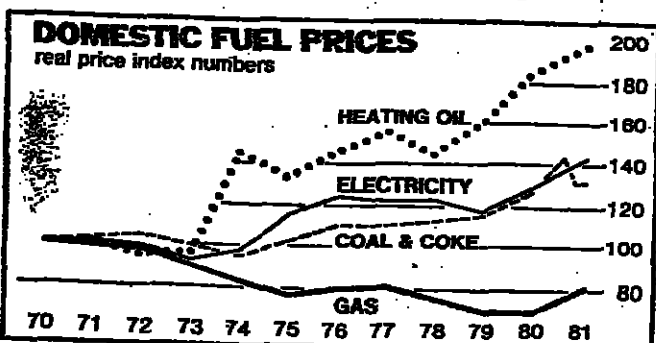
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BUSINESS NEWS

Gas tariffs double



The 23 per cent increase in domestic gas bills that British Gas is set to introduce from April means that gas tariffs will have nearly doubled in the last three years. But in real terms the new charges will not even bring gas prices back to the levels they were in 1970, according to Energy Department figures. Domestic gas consumers have fared much better than households that use other fuels. Heating oil has roughly doubled in real terms in the last decade.

N Sea bid details soon

Details of the bid approach for the small North Sea investment company CCF North Sea Associates are expected to be disclosed early next week. The company, in which Cluff Oil has a 30 per cent stake and which holds a 6 per cent net production interest in the North Sea Buchanan field, was capitalized at just under £12m at yesterday's suspension price of 145p. The approach has been made by a British company, with market speculation focusing on companies such as Charterhouse and Lismo.

Guernsey bank cash probe

A possible £13m (£7.1m) fraud at First National Bank of Chicago's Guernsey subsidiary is being investigated by a federal grand jury in Chicago. First National confirmed that it is looking into alleged irregularities surrounding a loan to a customer, made by its Guernsey subsidiary. It said appropriate action over the loan had been taken in 1981, which was reflected in the bank's fourth quarter results.

Portfolio Services Onshore drilling to pay debts

Investors and creditors in Personal Portfolio Services will be repaid in full after the group's provisional liquidation, it was decided yesterday. This followed a meeting between the directors of the group, a Yorkshire-based group headed by Mr Andrew MacHutchinson, a former Slater Walker associate, and accountants Arthur Anderson. The group was one third owned by Mr George Barlow, a partner of the Manchester stockbrokers Threlkorth, Henriques, and was believed to be managing funds totalling £1.75m.

MARKET SUMMARY

US rate rise hits shares

LONDON EXCHANGE

FT Index 557.2 down 6.9
FT 100 64.83 up 0.04
FT All Share 323.20 down 2.18
Bargain 18,549

A hesitant start to business changed to a mood of downright depression yesterday as Wall Street loughed a two-year low after disappointing money supply figures.

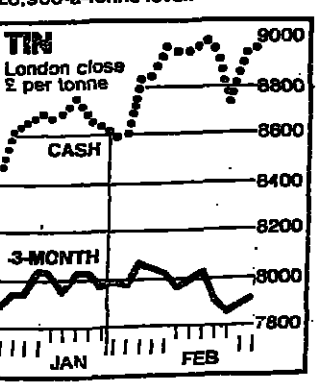
Reports that Mr Paul Volcker, chairman of the Federal Reserve Board, had forecast no upturn in a recession until the United States budget deficit was under control were followed by news that two banks had raised prime rates by 1/2 per cent to 17 per cent. This took the news well, with a closing 5/8 off and shorts changed in thin trade. Equities, however, failed to conceal their disappointment with nervousness leading the FT index 6.9 down at the close at 557.2.

Investors in Reynolds Diversified, the Nevada-based exploration group whose shares were suspended by the Stock Exchange on Friday at 3p, will still be able to deal. Licensed dealer Harward Securities is continuing to make a price in the stock at 1 1/2 until Reynolds are requested.

The Council suspended the shares after discovering Reynolds does not have a United States quote as required under rule 183(1)(g). The board of Reynolds

COMMODITIES

The afternoon tin market maintained the higher levels against a background of technical lightness with further cash buying meeting with free offerings which restrained any advance above the £8,960-a-tonne level.



TODAY

Confederation of British Industry council meeting, London.
Average earnings (December) and basic wage rates (January) Chartered Building Societies Institute debates motion "that building societies have failed".
Company results: Half-yearly - United Real Property Trust; Finals - Birmid Qualcast; Foreign and Colonial Investments, Gillett Bros, John Hadland, London, and Lomond Investment.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Average 7,693.92 down 0.26
Hong Kong: Hang Seng Index 1,230.62 down 17.73

CURRENCIES

The dollar ended the day lower on balance after profit-taking in unsettled trading. The pound also weakened.

LONDON CLOSE
STERLING \$ 1.8315 down 65 points
Index 91.6 down 0.1
DM 4.3900
Y.F. 441.00
DOLLAR Index 113.4 unchanged
DM 2.3935 down 22 points
GOLD \$ 375.50 unchanged

MONEY MARKETS

The Bank bought £179m of bills in response to a forecast shortage of £150m. Its dealing rates were unchanged.

Domestic rates:
Base rates 14%
3-month interbank 14%-14%
Euro-currency rates:
3-month dollar 16%-16%
3-month DM 10%-10%
3-month Fr.F. 15%-15%

Retail and industrial sales slide

By Our Industrial Staff

Leading retailers and companies in the chemicals and other industrial sectors are reporting a substantial slide in sales over the past few weeks. This comes after December's decline in manufacturing output to its lowest point for 14 years.

Far from supporting ministerial claims of an economic upturn, it suggests that trading conditions may be getting worse in a number of key sectors.

Performance in chemicals so far this year has been at best similar to last year, at worst, declining. ICI said that while December had been a bad month, exacerbated by the long Christmas lay-off, January had also been poor, although the bad weather would certainly have depressed demand.

Overall 1982 had started disappointingly, although February's figures would be expected to show some recovery.

The Chemical Industries Association reported "evidence of a very strong downturn" in December and other chemical companies said output and demand remained low.

A combination of the recession and bad weather is responsible for the downswing in the motor industry according to the latest Society of Motor Manufacturers' figures which indicate sales of new cars were down 16 per cent in January.

Mr Con Justice, director of the motor trade division of BSG International which incorporates Bristol Street Motors however claims a 12 per cent upturn in sales of new cars so far this year compared with 1981. Increased sales have been particularly noticeable over the past three or four weeks, while the first fortnight of the new year was hit hard by poor weather and the after-effects of Christmas.

Mr Tom McAniff, chairman of BAT's Argos discount catalogue showroom chain, said yesterday that after two successful January sales the trade collapsed until Argos's new season catalogue gave a lift to sales last week. "Until the new catalogue we have been taking less money than the same time last year even though since then we have increased our square footage through new store openings by 16 per cent," he said. The sales downturn had been across the board in consumer durable goods.

Demand is likely to remain low at least until the Budget and price increases such as those on gas and electricity will reduce consumer's disposable income further. Rumbelows, whose 400 outlets sell mainly electrical goods, reported a buoyant January partly because of an additional sales promotion late in the month, but a falling off in trade this month.

John Lewis Partnership's department stores saw a 6.8 per cent increase in sales the first week of this month, slightly below the target figure. The same pattern appears to have continued since then.

ICI Creda, the consumer durables subsidiary of Tube Investments, reported disappointing January sales.

Electrolux of Luton reported a poor start to January with some improvement later in the month. But Orders are still hard to come by as retailers operate on slim stocks.

The picture in the textile industry remained gloomy, with one or two small producers reporting a decline. But the British Steel Corporation said that there was no evidence of a downturn in the market which is likely to be reflected in lower production levels.

Wall Street wary as bank lifts prime rate

From Bailey Morris, Washington, Feb 16

Wall Street exhibited its strong fear of another climb in United States interest rates today as stocks opened sharply lower and remained low in brisk morning trading.

The move by a small United States bank to raise its prime lending rate — the rate charged to the bank's business customers — from 16 1/2 to 17 per cent is widely expected to be followed by other leading banks. This follows the big unexpected surge in the US money supply reported on Friday.

There is a strong conviction on Wall Street that the Federal Reserve Board will move quickly to tighten credit in the wake of the new money supply figures, thus creating a new, upward spiral in US interest rates.

The money supply as measured by the Federal Reserve's M-1 figure, reflecting currency in circulation and deposits in checking accounts, grew at the unexpectedly fast rate of 20.7 per cent last month.

This is well above the Federal Reserve's target rate and inconsistent with the goal of a continued tight money policy to control inflation, announced by Mr Paul Volcker, chairman of the Central Bank.

In the first 30 minutes of trading, stock prices as measured by the Dow Jones Average of 30 industrials, plummeted 13.13 points to 820.68 and remained low in morning trading.

Another development "unsettling" Wall Street is the fact that in recent weeks both individuals and institutions have been selling off "winners" — their best

money-making stocks — reflecting what analysts fear to be a big, unexpected need for cash.

"People are selling off winners at a time when they should not be selling them, indicating they may need cash to offset losses elsewhere," one broker said.

He said Wall Street would be anxiously watching the market's close today to see if stocks fall below the level set in September of 824.

If this occurs it will trigger another selling spree, analysts fear. If this does not occur, and the market closes above Friday's final of 827.77, then analysts say the market will have undergone what is known on the Street as a "key reversal".

An uneasy calm pervaded world currency markets yesterday as traders awaited some firm indication of American interest rate developments. (Frances Williams writes).

But the news that a subsidiary of an Israeli bank had raised its prime rate to 17 per cent had little impact.

The dollar rose to more than DM 2.40 at one stage, but profit-taking left it 22 points down at DM 2.3935 by the close of London trading.

Though high American interest rates are expected to underpin the dollar for some time, other factors, such as recession and a worsening balance of payments, are working to depress the current markets.

European central banks may decide to intervene on a substantial scale if the dollar continues its recent advances.

Management of UK economy has been 'terrible'

Friedman attacks Thatcher policies

By Melvyn Westlake

Professor Milton Friedman, the Chicago economist and leading proponent of the monetarist policies adopted on both sides of the Atlantic, now says that the performance of the British economy under Mrs Thatcher's Government has been "terrible". He blames ministers for much of the rise in unemployment.

Speaking in a BBC television interview last night, Professor Friedman also emphasised that the policies of President Reagan were responsible for high interest rates in Britain. "Your high interest rates are a product of British policy and not of American policy," he insisted. That would not be true if currencies had a fixed exchange rate against each other.

But in a world where exchange rates are allowed to float, it is possible for any country to choose the level of interest rates that it desires, regardless of what happens in the United States. The interview with President Friedman was recorded in the United States and broadcast in the programme "American Attitudes".



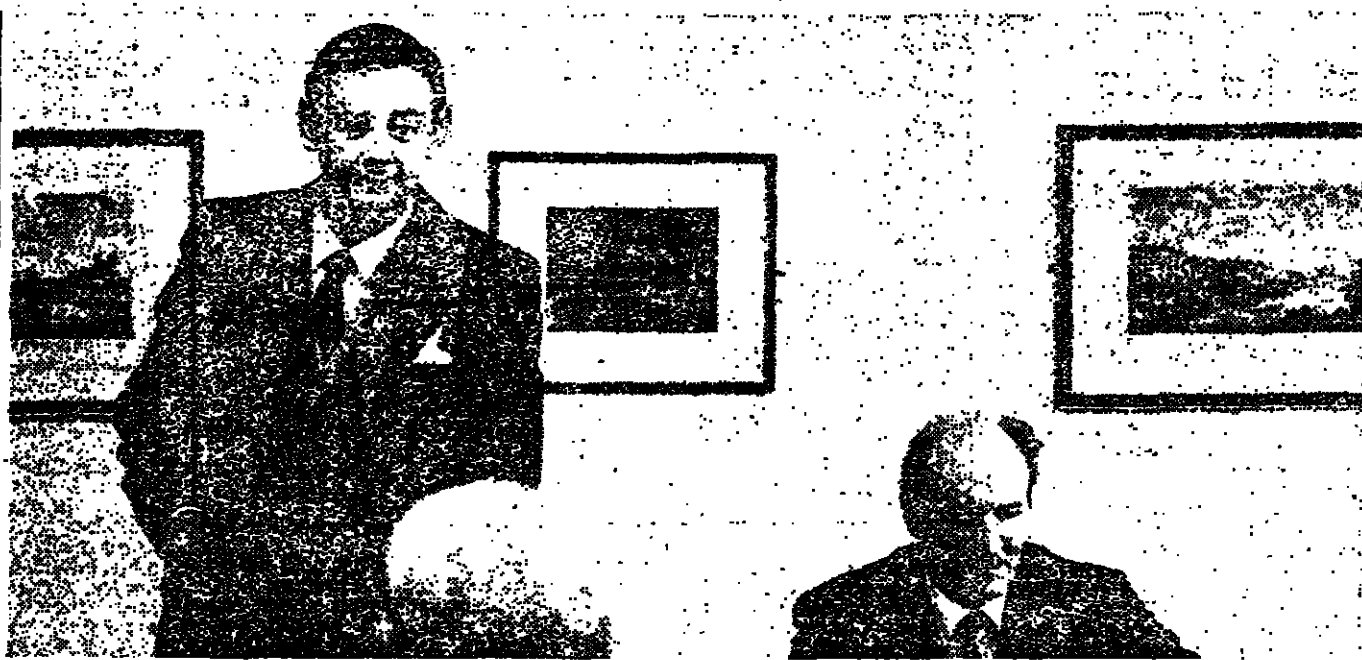
Professor Friedman said that, of the four elements in the British Government's economic policy, it had accomplished only one. It had not got taxes and state

spending down nor significantly reduced the Government involvement in the economy. However, the rate of growth in the money supply had been brought down and, as a result, inflation is lower today, in Britain, than it was shortly after Mrs Thatcher became Prime Minister.

Professor Friedman described the economy here as "desperately sick". "I don't see how you can use any other term for that," he said. "But he saw some hope. What the country had now, that it did not have five years ago, was at least one coherent group with a well-designed, well-articulated programme for getting Britain out of its mess."

Although not specifying who they were, Professor Friedman appeared to mean the hawks within the Government. However, so far, it had not proved possible to carry this programme out, he said.

The situation was "very far from black". He said that the sort of process through which the private sector had gone in the last couple of years had been healthy, though too costly, much more costly than it need have been.



Mr Robert Holmes a Court speaking at a meeting of ACC shareholders in London yesterday, with Mr Tony Lucas, company secretary.

A'Court firm on shares transfer

By Philip Robinson

The Australian financier, Mr Robert Holmes a Court, hinted yesterday that he could think of no commercial circumstances in which he would release directors of Associated Communications Corporation from their promise to transfer their shares to him and give him control of Lord Grade's former company.

Although he has said in a High Court affidavit that he would be prepared to release the promises to accept his £36m takeover bid if it were the proper commercial course to take, he said that to lift release the directors he would have to turn the clock back to January 13, when his Bell Group made its offer.

That would mean him being dismissed as chairman and chief executive of ACC and that the financial support given to ACC by the Bell group — it has guaranteed £50m of borrowings and given an unconditional £10m line of credit — would have to stop. "There is not a way we would be able to turn the clock back," Mr Holmes a Court said yesterday.

He said no directors had asked to be released from their irrevocable undertakings given to Mr Holmes a Court at the first offer and all but one had signed a letter last week confirming their support for him in order to disprove rumours that they were wavering.

Meanwhile, in the Appeal Court, Mr Holmes a Court's rival, Mr Gerald Ronson was seeking an order to freeze any transfers of shares from the ACC directors to Mr Holmes a Court.

The hearing of Heron Group's appeal was adjourned yesterday after one of the appeal judges had described the position as "absolutely dotry".

Lord Justice Brightman, sitting with Lord Justice Templeman and Lord Justice Lawton, said that from the "practical, ordinary view it would be quite wrong for a company which must be worth more than £36m to be sold for that amount."

Lord Justice Templeman said that if Mr Holmes a Court, and the other directors "insisted" the matter would have to be aired in court.

The directors "were now putting forward a 'pig in a poke' and the court did not even know what the offers were."

If the ACC directors were not committed to the Bell offer, as soon as they realised that somebody had offered 66p for shares worth 85p every "decent" director would say: "I am not going to have that." Lord Justice Templeman said.

If the directors were not bound by their undertaking should not accept the Bell offer.

British Gas share of oilfield 'worth £450m'

By Jonathan Davis, Energy Correspondent

British Gas believes that its 50 per cent share of the Wytch Farm oil field in Dorset — which the Government has ordered it to sell — is worth £450 million.

It also claims that proven reserves on the Wytch Farm licence amount to 221 million barrels, more than double the official figure of 100 million barrels.

By the time possible reserves on other so far undeveloped structures near the field are added its total reserves could be as high as 349 million barrels — equivalent to a medium-sized North Sea field.

The figures were disclosed yesterday with the publication of a report from the House of Commons Select Committee on Energy on the enforced sale of Wytch Farm. British Gas gave the figures to the committee as a main reason for its rooted opposition to the disposal, which was ordered last summer by Mr David Howell, who was then Secretary of State for Energy.

Several oil companies have expressed an interest in buying Wytch Farm. British Petroleum, which owns the other half of the field and

has an option to match any other bid, is regarded within the Energy Department as favourite to win the auction.

They say that £450 million is far too high an estimate of the field's estimate. They claim that the field is worth no more than £200 million, though the final proceeds of the sale will probably emerge rather higher than that.

British Gas, whose chairman Sir Denis Rooke has vigorously opposed the sale, says that the Wytch Farm field itself has proven reserves of about 175 million barrels of oil. The 18 million barrel figure that was applied to the field when it was first discovered nine years ago.

Other proven oil accumulations at Arne, Stoborough and Wareham add another 46 million barrels of oil. The corporation told the committee that there are at least nine other prospects that have been identified as potential oil accumulations in the part of Dorset covered by the Wytch Farm licence.

It is British Gas share in the licence — not the Wytch Farm field itself — which it has been ordered to sell.

Indonesian doubts on tin cartel

By Michael Prest

Malaysian officials arrive in Jakarta, Indonesia, today amid reports that the Indonesians are having doubts about setting up a tin producer's marketing organization. A tin producers' body which would bypass the existing International Tin Agreement is needed to sustain prices at their present high levels.

Datuk Paul Leong, the Malaysian primary industries minister, who is due in Jakarta today, said yesterday that Malaysia still wants the ITA as a forum for cooperation between tin producers and consumers.

But he also said that present tin prices are too low and that many of Malaysia's small gravel pump operators are losing money. Cash tin closed in London last night at £8,960 a tonne, where the premium over three months metal is £1,063 a tonne. The widening gap between the two prices illustrates the tenseness of the market as those who went short three months ago try to cover their positions.

But Indonesian officials are less enthusiastic about the plan for a producer organization.

The best meetings take place

For over a decade, people with a sense of occasion have chosen to rendezvous at the Inn on the Park.

Now, we're also glad to say, people with good business sense are choosing the Inn on the Park for meetings of another kind.

Though for much the same reasons. First, and foremost, the Inn on the Park is a luxury hotel.

But if you think this makes for an unbusinesslike venue, think again. Nowhere are there surroundings more likely to make a lasting impression on colleagues and clients.

And nowhere is there an atmosphere more conducive to making business a pleasure.

This is made possible by service so thorough, so efficient and so unobtrusive that it leaves the businessman totally free to deal with matters at hand.

No matter how big the business, or how small the gathering.

Then, there is the added incentive of not one but two world-class restaurants.

The Four Seasons which boasts cuisine fit for the palates of the greatest captains of industry.

And Lanes, where the whitest collars can loosen their ties...not to mention their belts.

All this, plus two bars and a lounge where even the fastest-moving executives will want to slow down and relax, makes the Inn on the Park the perfect setting for business of any kind.

If you would like to find out more about business meetings at the Inn on the Park, simply call our Banqueting Manager, Paride Alexander or Anthony Rivers on 01-499 0888.

where the best people meet.



BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Renold - Sir Campbell tries again

Renold, the gear and chain people of Wythenshawe, has like others fallen into loss-making, streamlining and redundancies. It has also chosen this moment to change pilots, and has duly chosen one who has already been shot down.

Out as (non-executive) chairman in July will go long the fairly ripe age of 63, and in will come Sir Campbell Adamson, 10 years his junior, and still living down caustic remarks he made about the Heath Government and the old Industrial Relations Act during the miners' strike of 1974.

Poor Sir Campbell was credited, almost certainly unfairly with helping the Tories lose the general election which led to Heath departing from both the premiership and Tory leadership.

Intermittently he has learnt discretion. Back in 1969 he said when becoming director-general of the CBI: "I have been in my moment about people who make important statements about their new jobs". One of Sir Campbell's hobbies is arguing. This may cause trepidation among some Renold old hands whose board consists of seven non-executive directors to only four in the business.



Sir Campbell Adamson

A blow in the bread basket

As if Tim Howden, managing director of RHM's British Bakeries, had not enough to worry about, thousands of those big plastic baskets used to deliver loaves have gone missing.

So many baskets have disappeared in South Wales since the year began that British Bakeries and Allied Bakeries, the other giant in the trade, have been putting joint half-page ads in Welsh newspapers appealing for their return. About 25,000 have vanished, and they each cost £1.

They are thought to make good dog kennels, rabbit hutches and toboggans.

Buis of British Rail are learning to live commercially. On one of the Sealink cross-channel ferries last weekend someone offered to clean cars for £1—not a service I could find anywhere in the brochure. European Ferries plan to take over Sealink was blocked by the monopolies people but there is no doubt the Government wants to see Sealink in private hands. Perhaps the lone car washer should think of widening his horizon to a management buy-out à la National Freight.

Will he no' come back?

Young Mr David Rowland, still only 36, has lost none of his flair for controversy even though he keeps out of the public eye. Why oh why, cry shareholders in Williams Hudson, the transport and mining group, are our shares still suspended?

They had their quote withdrawn nearly a year ago. The word is that a planned takeover by Mr Rowland's private Panamanian group will not now proceed. Mr Rowland made his first million when he was 23 having become big in property.

Yesterday Mr Simon Knott, of Greene & Co. Hudson's broker said: "Mr Rowland has not been in touch with us for two years. But we will not resign as company brokers because the group is entitled to a conduit to the stock exchange which it may one day need. However we feel badly treated."

NEW APPOINTMENTS

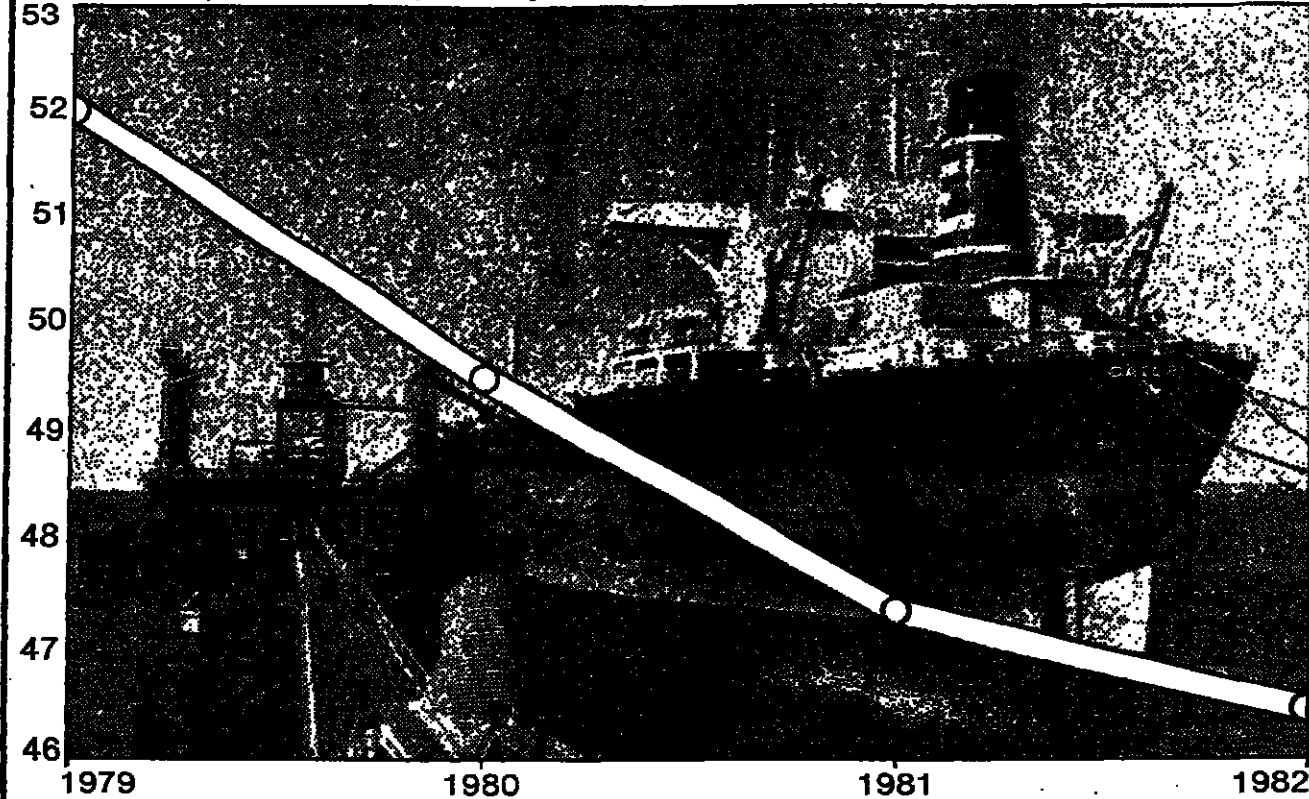
Dr J. Birks has succeeded Mr M. H. W. Wells as chairman of Charterhouse Petroleum.

Mr Richard Rees, financial controller of Heworth (Retail) has been appointed financial director.

Mr M. Shanks is appointed chairman designate of Geo. "sett Holdings and will succeed Mr B. Mills as chairman on retirement on March 31. Mr Shanks is appointed vice-chairman following Mr D. retirement.

Tumbling oil prices: Why it is Opec's turn to get nervous

HOW DEMAND HAS SLUMPED
Millions of barrels a day. Yearly average



ing pressure on Saudi Arabia, the world's largest single oil exporter, and producer of 40 per cent of Opec's total current 20 million barrel a day output, to reduce its production from the present level of around eight million barrels a day.

The financial pressure on the less well-endowed Opec members is greater than many people realize. The Bank for International Settlements, for example, reported earlier this week that the oil exporters, as a group, are now net borrowers of funds from the Western banking system — for the first time since the end of 1978. The burden is not evenly spread.

Calculations by Petroleum Intelligence Weekly, a leading oil industry journal, show that only four Opec members — Saudi Arabia, Indonesia, United Arab Emirates and Qatar — are producing enough oil in the present depressed market to balance their domestic budgets. President Reagan is not alone in his problems.

Worst hit of the remaining nine countries are Iran and Iraq, which are earning less than half what they need at a time when they are still engaged in a protracted and expensive war. Industry calculations are that the nine Opec producers with financial shortfalls would have to raise output by five million barrels a day to make up the gap. That assumes prices remain stable. But then, of course, if they were to churn out more oil, prices would inevitably fall.

They are putting increasing

pressure on Saudi Arabia, the world's largest single oil exporter, and producer of 40 per cent of Opec's total current 20 million barrel a day output, to reduce its production from the present level of around eight million barrels a day.

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lems, it would be foolish and premature to write Opec off — or to claim that it is on the verge of collapse. But the conventional wisdom in the oil industry — that Opec only operates as an effective cartel when prices need defending, and not when they need raising (which usually turns into a free-for-all judging by the events of 1979 and 1980), is put to the sternest possible test.

The numbers in the world oil supply and demand balance indicate how far prices may have to fall unless Opec sorts out its internal difficulties. Total non-communist world demand has fallen away steadily from 52 million barrels a day in 1979 to 47.3 million barrels a day last year. This year it could drop to 45 million barrels a day during the summer, when demand is historically weak, and average out for the year as a whole at around 46 million barrels a day.

Taking account of the increased production now coming from non-Opec sources such as Mexico and the North Sea, that implies that the market for Opec oil will be no more than about 20.5 million barrels a day. That would be roughly equivalent to last year's Opec output, which was already the lowest since the early 1960s.

The real crunch will come with winter and the long-awaited world recovery from recession. When economic activity picks up, so will oil

demand. But how much will depend crucially on how effective the trading of the oil price between the end of 1978 and the middle of last year has been in stimulating conservation and substitution of other fuels for oil.

All the indications on that score are encouraging. Between 1978 and 1981 the seven leading OECD economies, the United States, Japan, Germany, France, Italy, Canada and Britain, cut their oil use by 23 per cent — seven times as large as the switch away from oil use prompted by the first oil price explosion in 1973/4. Most encouraging has been the response in the United States, where oil imports have slumped from their peak of 6.5 million barrels of oil in 1977 to an estimated 3.5 million barrels of oil today.

How far will oil prices fall? Oil traders, many of whom have been making money out of salting the price of oil down in recent weeks, say that it could yet fall as far as \$28 or even \$25 a barrel.

Some oil companies (still a minority) express similar sentiments. The International Energy Agency has rightly been urging countries not to get complacent about efficient use of oil — again — now that prices are falling. Complacency would be one way of easing Opec's crisis without too much bother. While it is down, Opec is still far from out.

Jonathan Davis

Can women take the pressure?

AT WORK: STRESS

By Cary Cooper and Andrew Melhuish

Not one of the sample was teetotal; 28 per cent were "occasional drinkers" and 44 per cent had "several drinks a week, but not every day."

These results are consistent with an earlier study carried out in the Department of Management Services at the University of Manchester Institute of Science and Technology in which 135 senior female executives in Britain were asked about their physical and psychological health symptoms.

It was found that 60 per cent of that sample admitted being frequently "irritable", 50 per cent suffered from occasional bouts of anxiety, 42 per cent from tension in the neck and back, 35 per cent from anger, and 34 per cent from such things as sleeplessness. Our intensive physical examinations confirm these early survey results, which indicate that women managers may be under extreme pressure at work, although it will be a year or two before the results of a

larger sample are available to confirm this.

It was also revealing that more than half the group of 20 felt "severely stressed to the extent that their capacity to cope with difficulties had been reduced for several days or longer, on at least three times during the last 10 years of their work life, with 28 per cent experiencing five or more such stressful occasions. When asked what work-related problems were the major causes of their stress the results were as in the table.

- Relationships with senior colleagues at work — 100%
- Conflict between personal standards and work demands — 72%
- Boredom at work — 72%
- Inability to cope with the challenge of work (competition, deadlines) — 65%
- Frustrated ambition over career — 50%
- Relationships with colleagues of equal status at work — 50%
- Long hours away from family — 33%
- Relationships with junior colleagues at work — 33%
- Inability to delegate — 28%
- Fear of redundancy — 22%

A major problem faced by many women managers is trying to maintain a career and a family at the same

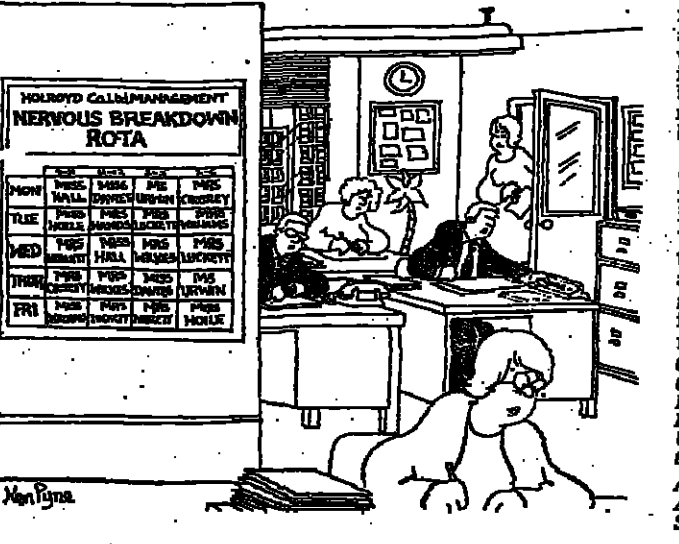
variety of organizations and industries.

The initial sample is small, so it is far too early to draw conclusions, but the early results do provide some "signposts" which we shall be watching for as the sample is expanded.

The percentage figures used to express results are based on those responding to a particular question. The response rate was very high but occasionally a manager declined to answer an individual question.

The first interesting, but perhaps not surprising finding was that only 33 per cent were married, whereas 28 per cent were single, 28 per cent divorced/separated, and 17 per cent "living together". This is consistent with American studies, which have shown that the first crop of women managers to get to senior management positions frequently can only do so by pursuing their career to the exclusion of a family or any consideration of a family. Our research indicates, however, that a greater proportion of the next generation of women managers (now in junior management positions) are married with families as well as careers.

The detailed analysis of the 20 showed that 44 per cent had used tranquilizers some-what frequently in their career, although the vast majority of these only used them during periods of work stress. Many had sleeping difficulties, with 40 per cent acknowledging "difficulty getting to sleep" and 50 per cent admitting to "waking several times during the night". Indeed, 35 per cent indicated that they took Mogadon or other sleeping tablets, but only for short periods of time. It was also found that 56 per cent of them had "less sleep than they needed", averaging only about 6 hours a night. While only 5 per cent of the sample smoked cigarettes, 28 per cent of them had between one and six alcoholic drinks a day (usually during business lunches or dinners); with 17 per cent having between three and six drinks a day.



Business Editor

Tightening up on the USM

Because of the inherently higher risk in dealing with young, immature companies, the stock exchange's Unlisted Securities Market will have to weather accidents in its formative years. How well the USM develops as an alternative to a full listing for companies which are too small and without a good enough trading record will, to some extent, depend on how it copes with thrills and spills which have upset the market in recent months.

These could, if the stock exchange is not careful, make investors more chary in future.

Too much, then, should not be read into Euroflame's local difficulties at the moment for the development of the USM as a whole. It is not after all the first USM stock to get into trouble — some like United Electronic have missed their forecast and Rowe Rudd's brainchild, Associated Communications Industries has already had a capital reconstruction. Most importantly, the accountants' report was deemed to be unnecessary, the minimum amount of equity to be sold cut back from 15 to 10 per cent, and the idea that the USM was only a transitional stage towards a full listing abandoned.

Since then the USM has been a conspicuous success with numbers of entrants and the turnover in their shares well above expectations. It has been turned a little too much towards oil exploration and high technology stocks to make it truly representative of what is happening in the growth sections of British industry generally, but that is pre-

sumably a result of what the issuing houses feel will be salable to investors. And because of the narrowness of the market in most of the shares, swings in share prices — Nimslo for instance — have been rather wider than many small investors are used to. All the same the Euroflame troubles should again force the stock exchange to review its entry requirements to the USM, and whether in particular the should not be tightened up to include a more rigorous independent report from an accountant.

Gilts Resilient

New York markets returned from Washington's Birthday yesterday with an almighty hangover. Down went bond prices and the Dow Jones Industrial Average, the latter quickly piercing its previous 1981-82 "low". The consensus view seems to be that the big banks may well push prime rates up to 17 per cent before too long — the question being whether that will be the top.

Meanwhile, United Kingdom interest rates remain remarkably steady. As far as money market rates go, this can be put down largely to the authorities' determination to keep rates roughly where they are. But there has also been considerable resilience in the gilt-edged market under the circumstances.

The market remains thin at the moment with jobbers seemingly running relatively small books, so price movements may be sharp in either direction. Investors however are clearly trying their hardest to put the United States out of their minds and concentrate on what they hope will be improving United Kingdom fundamentals — a gently falling inflation rate as the spring progresses, and a Budget that restricts the prospective weight of funding for the next financial year.

THE CHARTER TRUST & AGENCY PLC

Year ended 30th November 1981

Dividend: 3.45p Per Unit + 7.8%
Net Asset Value: 106p Per Unit + 5.4%
FT-Actuaries All-Share Index + 2.6%

Total Assets £44,810,422

Percentage Distribution

- 61% UNITED KINGDOM
- 25% NORTH AMERICA
- 12% JAPAN AND PACIFIC BASIN
- 2% EUROPE AND OTHER AREAS

"It is your Board's intention that the policy of concentrating the portfolio in a much smaller list of investments should be accelerated."

M. C. Devas, Chairman

KBIM

Managers:
Kleinwort Benson
Investment Management

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HARDYS & HANSONS LIMITED

Highlights from the Accounts and Chairman's Statement

- Despite continuing slow trade, turnover was up by £1½ million in the year to 2nd October, 1981.
- Profit available for appropriation, at £1,400,000, is marginally up over a 52 week period, compared with £1,385,000 for 53 weeks in previous Accounts.
- We might have increased more sharply the price of our products but in the long run felt this undesirable.
- Dividend raised by just over 7% from 11.1p per share to 11.9p.
- Property revaluation at 30th September, 1981, shows a surplus of £8,873,000 over book value.
- Brewery expansion and modernisation scheme has brought an improvement in general standards. We now intend to proceed with a new copper/brewery at a cost of £250,000 at today's prices.

Stock Exchange Prices

Gilts hold steady

ACCOUNT DAYS: Dealings Begin Feb 15. Dealings End Feb 26. 5 Contango Day, Mar 1. Settlement Day, Mar 8.

§ Forward bargains are permitted on two previous days.

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heat exchange,
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Birmingham, England**

IDC
Design, Construction & Engineering Service

Stratford upon Avon CV38 9SE

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Capital transfer tax avoidance fails

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Further, the taxpayer's submission as to the second requirement of the subsection failed also. It was a short point and one of impression: taxpayer's acquisition of shares was not in pursuance of an offer to the public. The appeal was dismissed with costs.

An application by the taxpayer for a certificate under section 10 of the administration of Justice Act 1963 to appeal direct to the House of Lords was adjourned.

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